



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

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GSTIN: 29AAACT4179N1Z0



ZM:SHARE:08:

July 12, 2019

To:

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

To:

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

Dear Sirs,

SCRIP CODE: BSE-500444 /NSE-WSTCSTPAPR

**Sub : Annual Report – 2018-19 & Notice of Annual General Meeting to
be held on 08.08.2019**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of Annual Report 2018-19 and Notice dated 29.05.2019 of Annual General Meeting (AGM) to be held on **8th August 2019 at 4:00 PM at Shree Rangnath Auditorium, Bangur Nagar, Dandeli – 581 325, Uttara Kannada District, Karnataka.**

Please take the same on record.

Thanking you,

Yours faithfully,
For WEST COAST PAPER MILLS LTD.

BRAJMOHAN PRASAD
COMPANY SECRETARY
M.NO.F7492



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

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

E-mail : wcpm.sale@westcoastpaper.com

Defining **Growth** and **Focus**



WEST COAST PAPER MILLS LIMITED

Your partner in progress...

ANNUAL REPORT 2018-19



PAPER & DUPLEX BOARD DIVISION AT DANDELI



TELECOM CABLE DIVISION AT MYSURU

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, Senior Vice-President (Human Resource)
Shri P. C. Maloo, Senior Vice-President (Marketing)
Shri A. K. Sharma, Senior Vice-President (Finance & Accounts)

Telecom Cable Division

Shri Virendraa Bangur, Chief Executive
Shri Anil Tanwani, Chief Executive Officer
Shri Shiv Shankar Gupta, Chief Financial Officer
Shri Raghu Nair, Vice President (Projects)

COMPANY SECRETARY

Shri Brajmohan Prasad

BANKER

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 S. K. Tikare, Belgaum

SECRETARIAL AUDITOR

Shri Naman G. Joshi, Bangalore

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
Kolkata – 700 016
Phone: (033) 7150 0500
Fax: (033) 2226 6086
E-mail: sales.ho@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

23/1 Kanakasri Nagar
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 Building", 4th Floor,
10/A, Kasturba Road,
Bangalore – 560 001
Phone: (080) 2223 1828-1829
E-mail: wcpm.south2@westcoastpaper.com

South Zone -3

2-2-51/119, 3rd Floor (302,303),
Mittal Chambers, M.G. Road,
Secunderabad – 500 003,
Phone: (044) 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



Ten Year Highlights

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PRODUCTION											
PAPER/PAPER BOARD & MULTILAYER BOARD	Tonnes	304957	290844	313311	306960	300514	310002	317808	308230	267005	173638
OPTICAL FIBRE CABLE	Km	40097	28405	29802	42989	30438	20686	20242	20184	27951	18003
JFTC	CKm	-	-	-	-	-	-	-	-	78	-
CONTROL CABLE	CKm	-	-	-	-	-	-	-	341	251	14
SALES											
PAPER/PAPER BOARD & MULTILAYER BOARD	Tonnes	301931	291512	317951	315146	302978	298682	321018	305818	267992	175194
OPTICAL FIBRE CABLE	Km	37930	28665	30936	40545	30368	21053	20161	20308	27985	17790
JFTC	CKm	-	-	-	-	-	-	-	-	78	-
CONTROL CABLE	CKm	-	-	-	-	-	-	-	337	248	14
OPERATING RESULTS											
TURNOVER	₹/Lakhs	196852	172222	187028	179953	174715	165483	154125	136620	110887	65050
GROSS PROFIT(PBDT)	₹/Lakhs	50068	33878	28272	18927	17853	14114	20084	15866	18919	10524
DEPRECIATION	₹/Lakhs	17526	11622	11077	11081	12220	12719	17629	20535	9610	2377
EXCEPTIONAL ITEMS	₹/Lakhs	-	-	-	5324	5160	-	-	-	-	-
TAXATION	₹/Lakhs	6800	4551	3654	598	-	166	372	-	1900	1400
MAT CREDIT ENTITLEMENT	₹/Lakhs	(2129)	(4551)	(3654)	(598)	-	(154)	(335)	-	(1809)	(1370)
DEFERRED TAX	₹/Lakhs	(1735)	(67)	4938	1637	362	720	607	(1314)	210	2647
NET PROFIT/(LOSS)	₹/Lakhs	29631	22267	12258	885	111	663	1811	(3356)	9008	5470
DIVIDEND	₹/Lakhs	3302	2642	1651	660	-	660	660	206	1807	1807
FINANCIAL POSITION											
GROSS BLOCK	₹/Lakhs	244131	229298	215871	210374	207934	205632	201596	198706	185045	186542
DEPRECIATION	₹/Lakhs	141919	126044	115432	104040	93035	80866	69565	52570	32205	31290
NET BLOCK	₹/Lakhs	102212	103254	100439	106334	114899	124766	132031	146136	152840	155252
PAID UP CAPITAL	₹/Lakhs	1321	1321	1321	1321	1321	1321	1321	1255	7755	7755
RESERVES & SURPLUS	₹/Lakhs	109031	82580	62594	58547	58456	58345	58455	55698	59293	52378
NET WORTH	₹/Lakhs	110352	83901	63915	59868	59777	59666	59776	56953	67048	60133
BORROWINGS	₹/Lakhs	40021	30416	49986	74393	91042	106608	108063	126365	121246	123471
CAPITAL EMPLOYED	₹/Lakhs	150373	114317	113901	134261	150819	166274	167839	183318	188294	183604
SOME SELECTED RATIOS											
EARNINGS PER SHARE (₹ 2) (BASIC)	₹	44.82	33.80	19.46	1.34	0.17	1	9	4	14	9
BOOK VALUE PER SHARE	₹	167	127	97	91	91	90	91	91	107	96
DIVIDEND [EQUITY SHARES]	%	250	200	125	50	-	50	50	10	100	100
DEBT EQUITY RATIO		27:73	27:73	44:56	55:45	60:40	64:36	64:36	69:31	64:36	67:33



Directors' Report

Your Directors are pleased to present the 64th Annual Report of your Company, together with the audited financial statements for the year ended 31st March 2019.

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, 2019	31st March, 2018
	(₹ in Crores)	
Profit Before Finance Cost, Depreciation and Tax (PBIDT)	529.65	380.43
Finance Cost	28.97	41.65
Profit Before Depreciation and Tax	500.68	338.78
Depreciation	175.26	116.22
Tax Expenses (Including Deferred Tax)	29.36	(0.67)
Profit After Tax (PAT)	296.06	223.23
Other Comprehensive Income (Net of Tax)	0.25	(0.56)
Total Comprehensive Income	296.31	222.67

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 5.00 per equity share (250%) for the year ended 31st March, 2019, 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 the previous year. This is despite production loss on account of major shut taken for 15 days for PM-6 rebuild for increasing capacity by 10%.

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

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 304957 MT (95% capacity utilization) during the year against 290844 MT in the last year (91% capacity utilization) i.e., higher by 14113 MT. The sale of Paper and Paperboard was



HBL ACCUMULATOR - 2



TRPE PULP WASH PRESS



Directors' Report (Contd.)

301931 MT during the year against 291512 MT in the last year i.e., higher by 10419 MT. Turnover during the year was ₹ 1851 Crores as against ₹ 1624 Crores (exclusive of excise duty) in the last year, i.e., higher by ₹ 227 Crores. The growth was driven by higher sales quantity and better realization. The EBITDA margin was 26.43% during the year.

CABLE DIVISION, MYSORE

The production of Optical Fibre Cable was 40097 Kms during the year against 28405 Kms in last year, thereby higher production by 11692 Kms. The sale of Optical Fibre Cable was 37930 Kms during the year as against 28665 Kms in the last year i.e., higher by 9265 MT. Turnover was ₹ 117 Crores during the year as against ₹ 74 Crores in the last the year i.e., higher by ₹ 43 Crores. The EBITDA margin was 14.81% during the year.

EXPORTS:

Export of Paper and Paperboard in foreign currency during the year was 2530 MT worth ₹ 17 Crores (FOB) as against 3388 MT worth ₹ 18 Crores (FOB) in the last year. Similarly Cable worth ₹ 4 Crores (FOB) was exported during the year as against ₹ 2 Crores in the last year.

FUTURE PLAN:

Company has made an ambitious plan for growth cum modernization for phase-wise investment in next 3 years time period at Company's Paper Division and Cable Division. Company's Paper Division at Dandeli, focuses on increase marginal paper production from existing machines, improve paper quality, produce new speciality products and reduction of usage of steam, power, chemical, water and also minimize the breakdown of machines. In this regard the Company has invested ₹ 127 Crores and has plans to invest around ₹ 75 Crores further in financial year 2019-20.

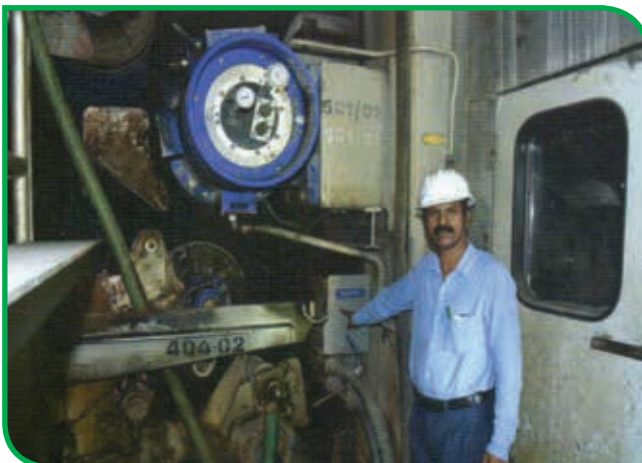
Additionally, the Company is also planning for putting up a new line for producing Specialty Products at Dandeli. EIA study is currently going on and post the approval, the Company will take appropriate decision on investment in new line.

The Company is also working on growth by way of inorganic acquisition in the same line of business and has entered into a Share Purchase Agreement (SPA) on 29th May 2019 for acquiring controlling stake in International Paper APPM Limited (IPAPPM). The acquisition is expected to be completed by 3rd quarter of the financial year 2019-20. In this regard necessary application has been filed for approval from various statutory authorities as per applicable laws.

The Company's Cable Division is also working on Green field expansion in Telangana for backwards integration of raw material required for Optical Fibre Cable which is expected to be completed in next 2 years with an investment plan of around ₹ 120 Crores. The Land has already been acquired from the Government of Telangana.

RAW MATERIALS:

The Company consumed 8.16 Lakhs MT of Indigenous Pulpwood and 1.68 Lakhs MT of Imported Chips i.e 83% and 17% respectively as against 57% and 43% in previous year.



DUO CLEANER EXCEL



MARUSHI REAM WRAPPING MACHINE



Directors' Report (Contd.)

The substantial reduction in comparatively costlier imported chips consumption has been possible due to various steps taken by the Company to optimize the process conditions like Opti-C cooking system in Fibreline and renovation of ESP of Enmas Recovery Boiler.

EXCHANGE RATE VARIATION:

The Company has reinstated foreign currency loans of USD 15.04 Million at the exchange rate prevailing as on 31st March 2019 and the exchange rate difference of ₹ 6.87 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 and 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) and AOC - 2 have 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.

ANNUAL RETURN:

As per the Companies (Amendment) Act, 2017 dated 3rd January, 2018 read with notification dated 9th February, 2018 a copy of Annual Return is available at the weblink : <http://www.westcoastpaper.com/investors/>.

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.

MEETINGS OF THE BOARD:

During the year under review, four 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 are 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.



Directors' Report (Contd.)

(B) Key Managerial Personnel (KMP):

KMP are 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 is done by the resolution of the Board of Directors of the Company. Appointment/Removal is in accordance with provisions of the Companies Act, 2013, Rules made there under & Listing Agreements entered with Stock Exchanges.

(C) Senior Executives:

Senior Executives are appointed by the Chairman & Managing Director and/or Executive Director of the Company based on their qualification, experience & exposure. Removal of the Senior Executives is also done by Chairman & Managing Director and/or Executive Director. Further, appointment & removal is 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, is annexed herewith 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 herewith 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, is annexed herewith 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 annexed herewith 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 herewith, 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 29.05.2019.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

DIRECTORS:

Retirement by Rotation

Shri Rajendra Jain (DIN:07250797) will retire from the office by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Appointment

There was no appointment of Director during the year.



Directors' Report (Contd.)

Re-appointment

Shri Amitav Kothari (DIN: 01097705) was appointed as Independent Director to hold office for 3(three) consecutive years not liable to retire by rotation with effect from February 12, 2016, the said term was completed on 11.02.2019. The Board of Directors in their meeting held on 08.02.2019, as recommended by the Nomination and Remuneration Committee on the basis of report of performance evaluation, have re-appointed as an Independent Director 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. 12.02.2019 subject to approval of members of the Company at the Annual General Meeting.

Shri P.N.Kapadia (DIN: 00042090) was appointed as Independent Director to hold office for 3(three) consecutive years not liable to retire by rotation with effect from May 30, 2016, the said term will be completed on 29.05.2019. The Board of Directors in their meeting held on 29.05.2019, as recommended by the Nomination and Remuneration Committee on the basis of report of performance evaluation, have re-appointed as an Independent Director 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. 30.05.2019 subject to approval of members of the Company at the Annual General Meeting.

The notice convening the AGM includes the proposal for re-appointment of Directors.

APPOINTMENT OF KMP:

There was no appointment of KMP during the year.

DECLARATION BY DIRECTORS:

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of meeting the criteria of independence provided under Section 149(6) of the Companies Act, 2013 and clause (b) of sub-regulation (1) of the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2019 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) Long Term: Upgraded to IND AA -/Stable
- b) Short Term: Affirmed at IND A1+

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments cover 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.



Directors' Report (Contd.)

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.

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.

AUDITORS:

a. Statutory Auditors and their Report

Messer's Singhi & Co. Chartered Accountants, Kolkata appointed as Statutory Auditors 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 the Companies (Audit and Auditors) Rules, 2014, for a period of 5 consecutive years ending on 31.03.2022 and consent of the members accorded at the 63rd Annual General Meeting held on 22nd August, 2018 to continue the appointment thereof, as the Auditors of the Company for the remaining term without any further ratification by the shareholders, pursuant to the amended provisions of Section 139 of the Companies Act, 2013 and Rules made there under, notified by Ministry of Corporate Affairs as on 07.05.2018. The observations of the Auditors in their report for the financial year 2018-19 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 2018-19. The Report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report.

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 2019-20. 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.



Directors' Report (Contd.)

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. The process of renewal of tripartite long-term wage revision settlement with Joint Negotiation Committee of Unions from 01.01.2019 is going on. 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 a part of this report.

A Report on the performance and financial position of wholly owned subsidiary company (West Coast Opticable Limited) for the financial year ended 31.03.2019 included in the Consolidated Financial Statements is presented in the separate section AOC-1, forms a part of 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.

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 : Mumbai
Date : 29th May, 2019

S. K. Bangur
Chairman & Managing Director



Annexure to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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
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. ₹ 15520.51 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 310.41 Lakhs
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year : ₹ 362.78 Lakhs (including previous year actual unspent amount ₹ 52.37 Lakhs)
 - b) Amount unspent, if any; : ₹ 185.42 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	Health Care Programme - Paediatric Health Check-up, Free distributions of Medicines, Diabetic awareness & Check -up Camp, Contribution for National Pulse Polio, Free Veterinary Camps with distribution of Medicines and Protein supplements. Medical equipments like Scan Machine etc to General Hospital Haliyal and Dandeli. Installation of Sanitary Napkin Incinerator at Schools and Colleges for Women.	Health Care	Rural/Local, Dandeli, Dist : Uttarkannada, Karnataka/others	2.70	2.70	2.70	Directly/Free Medicines/ Paediatric/ Polio/Diabetic/ Orthopaedic Check up Camp and Veterinary Camps.
2	Education Support Programmes- Contributions for higher education, children study education society, DES, Supply of Subsidised Note Books, Supply of Desk cum Benches, Supply of Umbrella, School Bags etc for School Children. Sponsor Computers to Kalikabhawani high school, Donated RO water purifier systems to college and schools.	Education	Dandeli Taluka Schools, Colleges and Haliyal Taluka Schools, Kolkata, Kansur, Siddapur, Karwar	69.46	69.46	69.46	Directly to the Children and Schools and Colleges.



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
3	Environmental Initiative - Maintenance of Dandakarnya Eco Park, Nanadagokul Garden in Dandeli, Swatch Bharat Programmes in Dandeli City areas.	Environmental Sustainability and Ecological Balance	Dandeli Taluka , Dandeli public and Dandeli region.	8.93	8.93	8.93	Directly to the concerned performer.
4	Rural Infrastructure Development (Other than for the purpose of Health/Education/Livelihood and others). Installation of Silicon chamber for Cremation at Old Dandeli, Financial help for construction of Community Hall, Nala cleaning, Sponsorship for Karnataka Govt. Gram Chavadi at Alur & Dandeli Panchayat, Renovation of Gallary of Police Ground at Karwar, Sponsorship for Toilet Blocks for Girls and Boys of Rotary Education Trust School, Kalika Bhawani English Medium School Kansur, Siddapur, Contribution for renovation and creation of infrastructure at DES's Degree College and Junior College, Dandeli. Donated Mortuary chamber to Govt. Hospital Dandeli, Haliyal and Joida. Maintenance of Clock Tower, Dandeli.	Rural Development Projects	Down Stream Villages and surroundings of Dandeli and In Dakshina Kannada District, Kansur , Siddapur	63.43	63.43	63.43	Directly executed by Company and Direct Contributions to the Trusts
5	Promotion and Development of Traditional Arts & Culture - Contributions to Sri Nataraj Natya Sanga for Drama Programme, traditional fesitivals, Karavali Utsav, Kali Utsav, Contribution to Mahavir Jain Aradhana Kendra for execution of Museum, and social cultural activities etc.	Protection of Heritage, Arts and Culture	Dandeli Local Area and at Karwar, Haliyal, Joida	19.35	19.35	19.35	Directly to the performers
6	Making Available Safe Drinking Water for Rural Public - Water tanks at Kerwad and Badakhandsirda village, repairing water tanks and pipeline at Karyampalli, Mayanal, Halamaddi, Harnoda and Saxalli villages.	Safe Drinking Water	Seven Down Stream Villages	7.90	7.90	7.90	Directly incurred by Company



Annexure to Directors' Report (Contd.)

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
7	Contributions & Sponsorships for Rural Sports and Nationally Recognised Sports - Sports materials sponsorships to Govt. College, Sponsorship for District level Sports meet., Contributions to Sports events and Sponsorships for Kolkata Clubs.	Promotion of Rural Sports and Nationally Recognised Sports	Dandeli Region Public and Kolkata	5.57	5.57	5.57	Direct Payments to Activity Organisers / Supply of Sports materials
8	Contribution to the benefit of Martyrs' Dependents at Uttara Kannada District ,Natural Disaster, War Widow, contribution to Armed Flagday.	Benefit to Martyrs' dependents.	Defence service department	0.02	0.02	0.02	Directly to the Deputy Director Sainik Welfare Dept. Karwar.
				177.36	177.36	177.36	

* 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 ₹ 362.78 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 ₹ 185.42 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 : Mumbai

Date : 29th May, 2019

M. P. Taparria

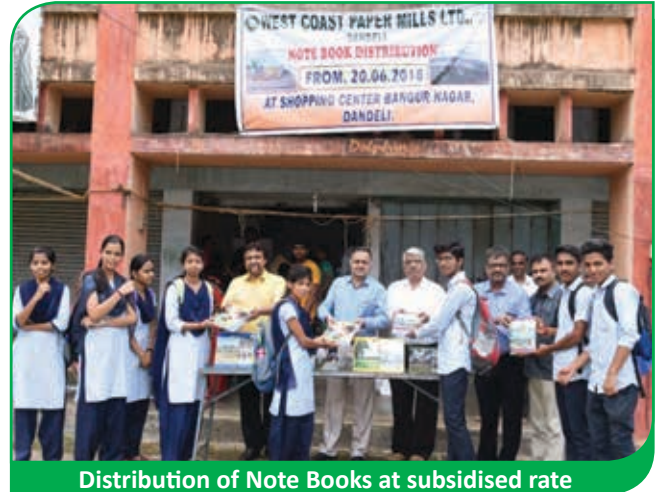
Director

S. K. Bangur

Chairman of CSR Committee

Annexure to Directors' Report (Contd.)

WCPM INITIATIVES TOWARDS CORPORATE SOCIAL RESPONSIBILITY 2017-18





Annexure to Directors' Report (Contd.)

PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

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

For and on behalf of the Board

Place : Mumbai
Date : 29th May, 2019

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 : 450:1 <i>Chairman & Managing Director</i>	
		Shri Rajendra Jain : 54:1 <i>Executive Director</i>	
		Shri Brajmohan Prasad : 4:1 <i>Company Secretary & 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 : 45.16% <i>Chairman & Managing Director</i>	(₹ 1615.30 lakhs in 2018-19 including commission, against ₹ 1112.78 lakhs in 2017-18 including commission)
		Shri Rajendra Jain : 18.45% <i>Executive Director</i>	(₹ 193.86 lakhs in 2018-19, against ₹ 163.66 lakhs in 2017-18)
		Shri Brajmohan Prasad : 27.22% <i>Company Secretary & Compliance Officer</i>	(₹ 15.04 lakhs in 2018-19, against ₹ 11.82 lakhs in 2017-18)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	5.21%	
(iv)	The number of permanent employees on the rolls of company.	2398	
(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 7.12% (other than managerial personnel) whereas remuneration to managerial personnel increased by 41.60%.	
(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, 2019.

(A) CONSERVATION OF ENERGY

(i) Measures taken for Energy conservation

1. Replacement of 6 numbers time based water drains at inter cooler of centrifugal Air compressor by Armstrong make Zero air leak Liquid drains to save compressed Air.
2. Installation of 4 numbers root blower at FBC 3 & 4 silos to avoid use of compressor Air for Power saving.
3. Installation of 132 Kw 4 number VFD at Filter House for Pumps for Energy and Water saving.
4. Replacement of old Vacuum Pump No.8 & 9 with Motor by Energy Efficient Vacuum pump & motor at Paper Machine No. 3
5. Replacement of 20 numbers old Rotary joints and siphons with New Rotary Joints along with stationary siphon at Paper Machine No. 5
6. Replacement of 42 numbers old Rotary joints and siphons with New Rotary Joints along with stationary siphon at Paper Machine No. 4
7. Installation of 3 number VFD at Paper Machine No. 5 Stock pumps and 2 number VFD at Paper Machine No. 4 Hood blower.
8. Modification of existing Super batch cooking system in Fibre line section with 'Opti batch Model-C' including additional Black liquor accumulator to reduce specific steam consumption.
9. Installation of VFD for the pump at discharge tank to LC tank at Fiber line section.
10. Recovery of condensate and Flash Steam from D-hot heat exchanger to Power House.
11. Installation of 4 numbers capacitor bank in Paper Machine No. 1,2,3 to improve the Power Factor.
12. Installation of VFD at SP 2 Cycling chest pump at storage chest pump in Paper Machine No.2
13. Use of LED tube lights (962 nos.) in place of conventional fluorescent tube lights.
14. Use of 5 star energy efficient fans in place of conventional ceiling fans (123 nos.)
15. Modification of steam condensate system in BHEL and ENMAS boiler Air pre-heaters.
16. Replacement of 236 nos. faulty steam traps throughout the Mill.

(ii) Steps taken for utilising alternate sources of Energy :

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, Government of India vide their letter no. 20/122/2011-U&I dated 09.01.2012. The steam generated from chemical recovery boilers is 56 % of total steam generation of the mill in the year 2018-19.

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

Total Investment	₹ 1467.87 Lakhs
Monetary Benefit	₹ 1157.50 Lakhs/annum
Steam Saving	111920 MT /annum
Power Saving	24.54 Lkwh /annum

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption :

1. Commissioning of new HBL-2 accumulator for uniform cooking, effective utilization of steam by equal distribution of heat.
2. Addition of TRP (Twin Roll Press) in press section of New Fiber line for reduction of chemical loss and COD load.



Annexure to Directors' Report (Contd.)

3. Treatment of save all clarified water with suitable polymer to reduce turbidity without affecting pH and reuse of the treated water in process to reduce freshwater consumption.
4. New product developed during the Year are:
 - Wesco Wallkup (140 to 150 gsm)
 - Wesco Dura print - 110 gsm
 - Wesco Bond - (80 to 100 gsm)
 - Wesco Super Shine – (80 to 140 gsm)
 - Wesco Straw base – (90 to 120 gsm)
 - Wesco Aqua base (MG & MF) – (165 to 180 gsm)
 - Wesco Strawfold – 120 gsm

(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 & ecosystem 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

(iv) The expenditure incurred on Research and Development:

(₹ in Lakhs)

	2018-19	2017-18
(a) Capital	Nil	Nil
(b) Recurring	47.16	55.00
(c) Total	47.16	55.00
(d) Total R&D expenditure as a percentage of total turnover.	0.02	0.03

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo are ₹ 2073.89 Lakhs and ₹ 22823.59 Lakhs respectively (₹ 2013.65 Lakhs and ₹ 39473.50 Lakhs in previous year).

Place : Mumbai
Date : 29th May, 2019

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 2019, 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, 2019 have been prepared on a 'going concern' basis.
- v) The accounts for the financial year ended on 31st March, 2019 has 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 : Mumbai
Date : 29th May, 2019

S. K. Bangur
Chairman & Managing Director



Annexure to Directors' Report (Contd.)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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
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 2019 ('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.)

- (i) The securities and exchange board of India (Depository and Participants) regulations 2018.
- (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.;
 - (f) Goods and service tax

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. Independent directors need to get trained.

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 : 22 May, 2019

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 financial compliance and CSR spending's 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 : 22 May, 2019

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 is expected to increase to 450 million metric tonnes by the year 2021 from 410 million in 2017. The growth forecast in the year 2019 is 18% for Board and Packaging, 23% for Tissue, 9% for speciality grade paper and (-) 11% for Graphic paper.

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 world's three largest paper producing countries - China, the United States and Japan, collectively account for approximately half of the world's total paper production. The sector entered in 2018 on better conditions after significant capacity withdrawals 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.

INDIAN PAPER INDUSTRY

India holds 15th rank among paper producing countries in the world, however, the country's share in global paper demand is gradually increasing with rising domestic demand while demand in the western nations is contracting. The domestic demand in India grew from 9.3 million tonnes in FY 2008 to 17 million tonnes in FY 2018 witnessing a CAGR of 7%. Overall paper demand is growing at a CAGR of 6-7% is likely to reach approximately 20 million tonnes in 2019-20.

The per capita consumption of paper in India currently 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. However, the per capita consumption is expected to touch about 17 Kg by 2024-25

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 the existing 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 30-35% wood based, 45-50% recycled fibre based and 20-22% agro residue based raw material.

The Indian Paper Industry currently has a turnover (net of taxes) of over ₹ 50,000 Crores and contributes over ₹ 4,500 Crores per annum to the national exchequer. Even more importantly it provides employment opportunities to over 2 million people directly and indirectly, mostly in rural Areas.

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.

Writing/ printing paper & paperboard are the two larger & more profitable segments in the sector. The 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%.

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.



Management Discussion & Analysis (Contd.)

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 is expected to increase significantly, and hence the Industry has been requesting the Government to allot degraded revenue and forest lands. This will not only fulfil the requirement of raw-material, but also result in employment generation for rural unskilled population. 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 increase significantly. 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.

CABLE DIVISION

Indian optical fiber cables market is growing by leaps and bounds due to expansion of telecom infrastructure throughout the country and is expected to continue its growth momentum for another next ten years with India launching 5G by 2020-21.

Annual global IP traffic is expected to increase three fold from 1.5 ZB in 2017 to reach 4.8ZB (Zettabyte) in 2022, thus growing at a CAGR of 26%. Also, monthly IP traffic at 16GB per capita in 2017 is expected to reach 100 GB per capita in 2022 (nearly achieving 50GB in 2019).

Currently, the towers in India are connected with fiber to roughly 20% in comparison to 90% globally. This is expected to reach 60% in next 3 years.

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 improve, resulting in increased consumption of paper. As against the 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.

Increasing population and literacy rate, improvement in manufacturing sector and changing lifestyle of individuals are expected to further boost the demand of paper in India. Additionally, increasing environmental concerns and awareness resulting in ban on one-time plastic use material by many states in India has opened up new market for paper industry.

However, there is increasing threat from 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 resulted in increase in cheaper imports to 3.31 million tonnes in 2017-18 as against 2.50 million tonnes in 2016-17 and 1.47 million tonnes in 2015-16. Total Imports has increased to 17.20 million tonnes in 2017-18 as against 14.17 million tonnes in 2016-17 and 11.13 million tonnes in the year 2015-16. Increase in imported paper results in continued pricing pressures on the domestic players in the paper segment. Continuation of anti dumping duties in the US market for Asian countries could also result in negative implications for the domestic paper industry. Govt. of India vide customs notification dated 04.12.2018 has imposed definite Anti Dumping duty in benchmark form for a period of 3 years in the Anti dumping investigation concerning imports of "Uncoated Copier Paper" originating in or exported from Indonesia, Thailand and Singapore. However, this action has not yielded desired result and there still exists a large price gap between imported and Indian copier paper which continues to hit the domestic industry.



Management Discussion & Analysis (Contd.)

CABLE DIVISION:

Bharat Net completed 2.5 lakhs Gram Panchayats connected in phase I and another 2.5 lakhs 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. BBNL phase II tender are 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 current downtrend in Optical fiber prices due to US China trade barriers. This has resulted in slow down of 5G deployment in China. This could be looked as shift of opportunity by 1-2 years.

C. SEGMENT-WISE PERFORMANCE

The Company operates in two business segments – Paper / Paperboard (including Duplex Board) at Dandeli and Telecommunication Cables at Mysore, besides 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 a well-diversified product base which partially insulates it from the imports and cyclicity. Previous year, the Company has developed and introduced some new product variants like Walk up, Straw Base Straw Fold, Aqua base, Wax cote, Base paper for sublimation coating etc. to improvise its product mix and capture new markets. Further, continued thrust on manufacturing different variants of cup stock paper and lower gsm range having double digit growth prospects augurs well for maintaining the market share in this competitive segment.

The Company has been investing heavily into modernizing equipment, improving quality, and developing personnel to maintain its position as a global leader. The Company has fully integrated paper and pulp facility, right from processing pulp from the woods to using captive power source. This helps the Company manage the cost effectively. The size and scale of the operations gives us an edge in sourcing Raw Materials as well as in transporting finished goods at best possible rates. The scale benefits and improved productivity and efficiency that we have brought in the Company over the last few years has helped us improve profitability. Also, this year your company significantly brought down its raw material cost by reducing the imports of costlier wooden chips from 43 percent to 17 percent.

With optimum capacity utilization, good demand outlook and progressive shift 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, the Company has started the commercial production of its subsidiary company, West Coast Opticable Ltd. on 23rd August 2018 to increase its capacity with new set of machines. This will increase the market share of the Cable Division.

We could rope in new customers and increase volume to the existing customers thereby efficiently utilizing the existing capacity. Further, to increase productivity and profitability in coming years Cable Division has planned to go for investment in Draw Tower in order to draw optical fibre on its own, which is the prime raw material for Cable Division. The new facility is expected to come into operation from 2020.

We have already started with an EPC project for laying cables with a small test order in Uttaranchal and are expecting good business in 2019-20.

E. RISKS AND CONCERNS

The Company has derived 94% of its revenue from Paper/ Paperboard and Duplex Board business and 6% from Cable business in 2018 -19.

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 efficacy 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 31,2019, 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. Process of tripartite long term wage revision settlement with Joint Negotiation Committee (JNC) of Unions from 01.01.2019 is going on.

The Company has drawn specific programme to improve the skills of the workers and staff. Further, it is providing necessary training to the manpower with both locally and abroad 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 31.03.2019 are 2398.

I. DETAILS OF SIGNIFICANT CHANGES (i.e. change of 25% or more as compared to the immediately previous financial year)

There is no significant change vis-a-vis the previous financial year.

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 2018-19 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	4	7	1	1
Smt. Shashi Bangur	Promoter, Non-Executive Director	3	5	-	-
Shri Saurabh Bangur	Promoter, Vice - Chairman	2	3	-	-
Shri Premal N. Kapadia	Independent Non-Executive Director	2	2	1	1
Lt. Gen [Retd.] Utpal Bhattacharyya	Independent Non-Executive Director	4	-	-	-
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	3	4	1	1
Shri Amitav Kothari	Independent Non-Executive Director	2	3	2	2
Shri Sudarshan Somani	Independent Non-Executive Director	4	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.

Lt. Gen. (Retd.) Utpal Bhattacharyya and Shri Rajendra Jain attended the last Annual General Meeting.

iii) a) Name of the other Listed entities where person is a Director and category of Directorship as follows

Name of the Directors	Name of Listed Entities	Category of Directorship
Shri S.K. Bangur	1) Jayshree Chemicals Ltd.	Promoter, Non-Executive Chairperson
Smt. Shashi Bangur	Nil	Nil
Shri Saurabh Bangur	Nil	Nil
Shri Premal N. Kapadia	1) Alkyl Amines Chemicals Ltd.	Non-Executive - Non Independent Director
	2) Kaira Can Co. Ltd.	Promoter, Non-Executive Director
Lt. Gen [Retd.] Utpal Bhattacharyya	Nil	Nil
Shri Krishna Kumar Karwa	1) Emkay Global financial Services Ltd.	Managing Director
Shri M.P.Taparia	1) The Supreme Industries Ltd.	Managing Director
	2) Supreme Petrochem Ltd.	Non-Executive-Chairperson
	3) Kabra Extrusion Technik Ltd.	Independent Non-Executive Director,
Shri Amitav Kothari	1) Kanoria Chemicals Ltd.	Independent Non-Executive Director
	2) Kiran Vyapar Ltd.	Independent Non-Executive Director
Shri Sudarshan Somani	1) Starteck Finance Ltd.	Independent Non-Executive Director
Shri Rajendra Jain	Nil	Nil

b) Following skills/expertise/competencies identified by the Board in the context of Company's business/ Sector and those actually available with the Board

West Coast Paper Mills Limited is a paper manufacturing Company, in view of the sector and context of the business, the Board has identified following skills/ expertise /competencies:

- Professional Qualification such as: CA/CS/CWA/BE/MBA/LL.B/LL.M/B.Tech/M.Tech. etc.
- Educational Qualifications such as BA/B.Sc/B.Com/MA/M.Sc./M.Com etc., having the knowledge and experience in the particular field.
- Industrialist having vast knowledge and good experience of management, administration and having knowledge of pulp and paper.
- Any other professional or educational qualification having well experience in Foreign Exchange/FOREX dealings/Export/Import.



Report on Corporate Governance (Contd.)

c) Declaration of Independent Directors

Independent Directors submitted declaration regarding they meets criteria of Independence as required under Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 147(9) of the Companies Act, 2013, in the meeting held on 18.04.2019, Board of Directors after due assessment of the veracity of the same confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in above said Regulations and are independent of the Management.

d) No Independent Director has resigned before the expiry of his tenure.

iv) Board Meetings held

- a) During the year under review, four Board Meetings were held on May 21, August 10, November 14, 2018 and February 08, 2019.
- b) 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.
- c) Smt. Shashi Bangur, Shri Saurabh Bangur and Shri Sudarshan Somani holds 2220915, 1621228 and 196300 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.

v) 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.

vi) 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:

- a) The performance of Non-Independent Directors and the Board as a whole.
- b) The performance of Chairman of the Company.
- c) 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, 2019.

vii) 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.

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



Report on Corporate Governance (Contd.)

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	I/NED	Member
Shri Rajendra Jain	ED	Member

iii) Meetings and Attendance during the year

During the year ended March 31, 2019, four meetings of the Audit Committee were held on May 21, August 10, November 14, 2018 and February 08, 2019. The attendance of the Chairman and the Members of Audit Committee at the meetings held during the year under review is as under:

Name of the Directors	No. of Meetings attended
Shri P.N.Kapadia	2
Lt. Gen. (Retd.) Utpal Bhattacharyya	4
Shri Amitav Kothari	2
Shri Sudarshan Somani	4
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 name of the Members & Chairperson of the Remuneration Committee are as under:

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 May 16, November 14, 2018 and February 8, 2019 for approval of re-appointment, Annual increment of Salary to the Executive Director and re- appointment of Independent Director for 2nd term. The attendance of the Chairman and the members of Audit Committee at the meetings held during the year under review are as under:



Report on Corporate Governance (Contd.)

Name of the Directors	No. of Meetings attended
Shri M. P. Taparia	3
Shri P. N. Kapadia	2
Lt.Gen.(Retd.) Utpal Bhattacharyya	2

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 Amitav Kothari (w.e.f. 08.02.2019)	I/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, six meetings were held on April 19, May 18, June 20, September 25, October 23, 2018 and February 8, 2019. Details of attendance at the meetings are as follows:

Name of the Directors	No. of Meetings attended
Smt. Shashi Bangur	5
Shri Saurabh Bangur	6
Shri Amitav Kothari (w.e.f. 08.02.2019)	0
Shri Rajendra Jain	3

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 12 complaints from shareholders/investors, which inter-alia included non-receipt of Annual Report and dividend, the complaints were resolved.

No complaint was pending as on March 31, 2019.

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, three meetings were held on May 21, August 10, and November 14, 2018. Details of attendance at the meetings are as follows:

Name of Directors	No. of Meetings attended
Shri S.K. Bangur	3
Shri Saurabh Bangur	1
Shri M.P. Taparia	2

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	I/NED	Member
Shri Rajendra Jain	ED	Member

iii) Meetings and Attendance during the year

During the year, four meetings were held on May 21, September 25, December 20, 2018 and February 8, 2019. Details of attendance at the meetings are as follows:

Name of Directors	No. of Meetings attended
Shri Saurabh Bangur	4
Shri S.K. Bangur	4
Shri Amitav Kothari	3
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 @ ₹ 25,000/- (w.e.f., 11.08.2018, previous to that @ ₹ 10,000/-) per meeting and all Committee's Meeting including Independent Directors Meeting @ ₹ 10,000/- per meeting in terms of the resolution passed by the Board of Directors in its meeting held on 10th August, 2018.

iii) Details of remuneration

The details of Remuneration package, sitting fees paid etc., to Directors during the year ended March 31, 2019, 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	90,000	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.
2.	Shri Saurabh Bangur	1,05,000	
3.	Shri P. N. Kapadia	75,000	
4.	Lt.Gen. [Retd.] Utpal Bhattacharyya	1,40,000	
5.	Shri Krishna Kumar Karwa	60,000	There is no contract, Notice period or severance fees applicable.
6.	Shri M. P. Taparia	1,20,000	
7.	Shri Amitav Kothari	85,000	Stock Option details - Not applicable as the same is not given.
8.	Shri Sudarshan Somani	1,20,000	
TOTAL		7,95,000	

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)	Remuneration :		
	- Salary (including bonus)	1,20,00,000	1,64,49,522
	- Contribution to Provident, Gratuity and Superannuation Fund	38,16,923	18,14,882
	- Benefits-Allowances/perks	-	11,21,938
	- Commission	14,57,12,700	-
	TOTAL	16,15,29,623	1,93,86,342
(ii)	Details of Fixed Component and performance linked incentives along with the performance criteria:		
	(a) Fixed Component :	(₹ Per month)	(₹ Per month)
	- Salary – per month	10,00,000	8,09,585
	- Contribution to Provident Fund & Superannuation Fund	As per Rules	As per Rules
	- Perks and other allowances	As per Rules	As per Rules
	(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.	-



Report on Corporate Governance (Contd.)

	(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 the Companies Act, 2013.
(iii)	Service Contracts, notice period, severance fees:		
	(a) Service Contract	The re-appointment is for a further period of five years i.e., till April 30, 2021.	The re-appointment is for a period of three years i.e., till 30.07.2021.
	(b) Notice period	Not specified	Three months from either side
	(c) Severance fees	Not specified	Not specified
(iv)	Stock Option details, if any	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 (wife) 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
61st	Wednesday	31.08.2016	4:00 P.M.	Bangur Nagar, Dandeli
62nd	Thursday	31.08.2017	4:00 P.M.	Bangur Nagar, Dandeli
63rd	Wednesday	22.08.2018	4:00 P.M.	Bangur Nagar, Dandeli

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

- (1) At the 63rd Annual General Meeting held on 22nd August, 2018, following Special Resolutions were passed:
 - i) Re-Appointment of Shri M.P.Taparia (DIN:00112461) as an Independent Director of the Company.
 - ii) Re-Appointment of Lt.Gen.(Retd.)Utpal Bhattacharyya (DIN: 02665807) as an Independent Director of the Company.
 - iii) Re-Appointment of Shri Krishna Kumar Karwa (DIN: 00181055) as an Independent Director of the Company.
 - iv) Re-Appointment of Shri Rajendra Jain (DIN: 07250797) as Executive Director of the Company.
- (2) At the 62nd Annual General Meeting held on 31st August, 2017, there was no any Special Resolution :
- (3) 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.

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

One Special Resolution was passed through postal ballot on 30.03.2019 for approval of continuation of holding of the office of Independent Non-Executive Director of the Company by Shri M.P.Taparia (DIN: 00112461), voting through postal ballot/e-voting was allowed from 01.03.2019 (9.00 AM) to 30.03.2019 (5.00 PM), wherein number of valid votes Assent: 43085127(93.1826%) and Dissent: 3152166 (6.8174%). Shri Naman G. Joshi, Practicing Company Secretary, Bangalore was appointed as Scrutinizer for conducting postal ballot in fair and transparent manner.

(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 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

8) GENERAL SHAREHOLDER INFORMATION

A) 64th Annual General Meeting

Date 8th August 2019
Time 4.00 PM
Venue Shree Rangnath Auditorium
Bangur Nagar, DANDELI -581 325

B) Tentative Financial Calendar 2019-20

Adoption of Quarterly Results

for the quarter ending	1st/2nd week of -
- June 30, 2019	August 2019
- September 30, 2019	November 2019
- December 31, 2019	February 2020
- March 31, 2020 (year ending)	3rd /4th week of May 2020

C) Book Closure date 24th July to 8th August 2019 (Both days inclusive)

D) Dividend payment date 13th August 2019 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

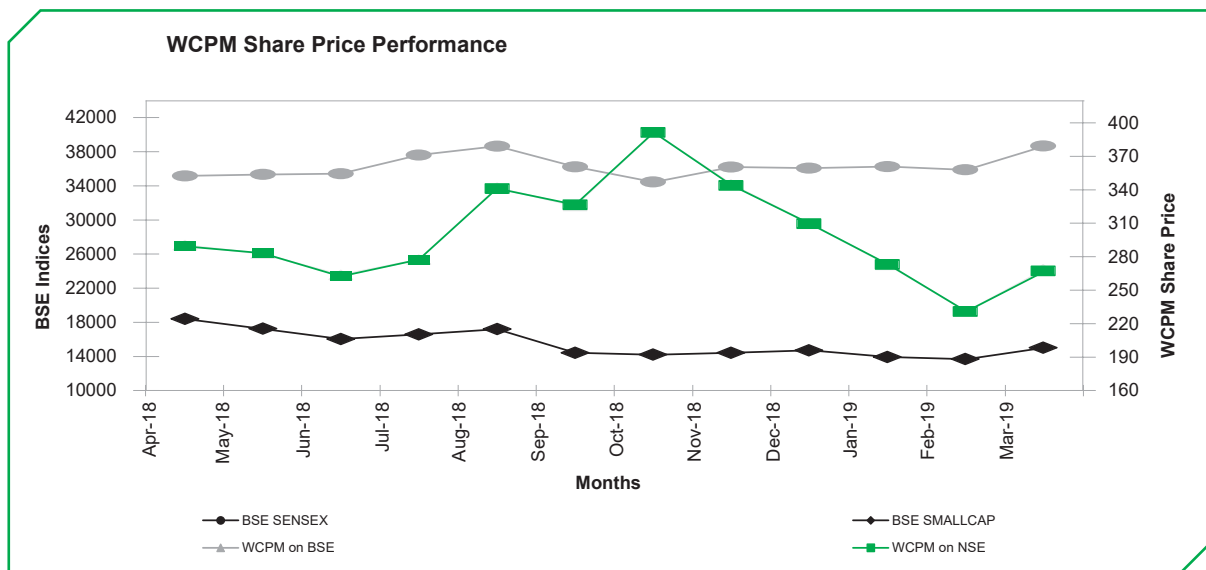
F) Listing Fees

Listing fee for the year 2018-19 and 2019-20 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 of India Ltd. (NSE)	
	High	Low	High	Low
April, 2018	309.95	244.45	309.00	239.50
May, 2018	305.00	268.25	305.00	267.50
June, 2018	288.30	243.10	285.65	241.60
July, 2018	284.85	246.00	284.85	250.65
August, 2018	372.50	283.60	373.70	282.00
September, 2018	399.90	311.35	399.90	310.00
October, 2018	394.00	297.00	394.80	298.20
November, 2018	414.55	330.00	414.75	329.15
December, 2018	359.00	295.20	348.80	293.70
January, 2019	318.00	240.00	319.00	240.20
February, 2019	274.50	224.00	274.95	223.65
March, 2019	288.70	232.30	289.00	231.65





Report on Corporate Governance (Contd.)

H) Registrar and Share Transfer Agent

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 Share 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, One Independent Director, 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 (w.e.f. 01.04.2019 pursuant to SEBI circular, transfer of securities will be done only in demat form).

J) Shareholding Pattern as on March 31, 2019

Category	No. of shares held	% of shareholding
Promoters	37461391	56.72
Mutual Funds & UTI	6099873	9.24
Alternate Investment Funds	298600	0.45
Foreign Portfolio Investor	3245896	4.91
Banks, Financial Institutions, Insurance Companies	1112378	1.68
Private Corporate Bodies, NBFCs	3402703	5.15
Indian Public	13929054	21.09
NRIs/OCBs	254489	0.39
Foreign Nationals	12050	0.02
IEPF	232474	0.35
Total	66048908	100.00

K) Distribution of Shareholding as on March 31, 2019

From	To	No. of shareholders		No. of shares	
		Number	%	Number	%
Upto	- 5000	24974	98.03	7559319	11.45
5001	- 10000	217	0.85	1605085	2.43
10001	- 20000	118	0.46	1664381	2.52
20001	- 30000	47	0.18	1178435	1.78
30001	- 40000	25	0.10	870194	1.32
40001	- 50000	14	0.06	632771	0.96
50001	- 100000	33	0.13	2501996	3.79
100001	& Above	49	0.19	50036727	75.75
Total		25477	100.00	66048908	100.00

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 2019, 98.16% 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

O) Details of credit ratings obtained by the Company are covered in the Directors Report.

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 enter into by the subsidiary company are also placed at the Board Meeting.



Report on Corporate Governance (Contd.)

- F) The Company has no material Subsidiaries.
- G) During the year Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- H) Certificate from a Company Secretary in practice stating that none of the Directors on the board debarred or disqualified is attached.
- I) As per SEBI Notification dated May 9, 2018, total fees paid for all services rendered by Statutory Auditor for the financial year ended on 31st March, 2019 is ₹ 35.55 Lakhs.
- J) 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.
- K) There is no Commodity Price Risk and Commodity Hedging activity during the year ended on 31st March, 2019.

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 29th May, 2019.

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 a 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 and 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, 2019.

Place: Mumbai
Date: 29th May, 2019

For **West Coast Paper Mills Limited**

S.K. Bangur
Chairman & Managing Director



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
WEST COAST PAPER MILLS LIMITED
Registered Office: P B NO.5 BANGUR NAGAR,
DANDELI, UTTAR KANNADA-581325, KARNATAKA

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of WEST COAST PAPER MILLS LIMITED, having CIN L02101KA1955PLC001936 and having registered office at P B NO.5 BANGUR NAGAR, DANDELI, UTTAR KANNADA-581325, (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

SL. NO.	NAME OF THE DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT
1.	SHREE KUMAR BANGUR	00053237	Managing Director	24.02.1988
2.	SHASHI BANGUR	00053300	Director	30.05.1994
3.	SAURABH BANGUR	00236894	Director	28.06.2004
4.	PREMAL NARENDRA KAPADIA	00042090	Director	07.08.1992
5.	UTPAL BHATTACHARYYA	02665807	Director	27.05.2009
6.	KRISHNA KARWA KUMAR	00181055	Director	30.10.2009
7.	MAHAVIRPRASAD SURAJMAL TAPARIA	00112461	Director	11.11.2010
8.	AMITAV KOTHARI	01097705	Director	12.02.2016
9.	SUDARSHAN VIJAYNARAIN SOMANI	00137568	Director	10.11.2017
10.	RAJENDRA JAIN	07250797	Whole Time Director	31.07.2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **N G Joshi & Co.**

Naman G. Joshi

Practicing Company Secretary

C P No.: 9579, M No.F8389

Place : Bangalore

Date : 22 May, 2019



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.
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 2019, 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 2019.

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

Sukhendra Lodha
Partner

Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Independent Auditor's Report

To the members of
WEST COAST PAPER MILLS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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 March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Change in useful life and depreciation method of certain machineries (Refer note no. 2 and Note no. 60 of the Financial Statement)	
<p>The Company had been charging depreciation on different category of Plant & Machineries using a mix of Straight Line Method and Written Down Method. The Company decided to follow WDV method of depreciation for all class / category of PPE to reflect the appropriate pattern of usage and expected benefit of such assets. The Company also reviewed the useful life of Plant & Machinery and basis experts' opinion changed the useful life of assets.</p> <p>This is considered as key matter, as significant judgment / estimation is involved in assessing the method to be used for depreciating the assets and determining the useful life.</p>	<p>Procedure performed includes:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around maintenance of record of Property, Plant & Equipment and determination of depreciation method / useful life. • Understanding the rationales for the changes done in the method of depreciation and determination of revised useful life. • Verification of underlying working of depreciation amount basis the revision in method / life. • Documenting the certificate obtained from independent chartered engineer assessing the useful life of assets.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



Independent Auditor's Report (Contd.)

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (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 March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sukhendra Lodha
Partner
Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Annexure A

to the independent auditor's report

(Referred to in paragraph 1 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:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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 discrepancies noted on such verification have been properly dealt with in the books of accounts. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
 - 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

Asset Category	Gross Block (₹ Lakh)	Net Block (₹ Lakh)	Remarks
Leasehold Land	162	162	289.68 acres of leasehold land for which Government approval for renewal for next 30 years received but lease agreement is yet to be executed; and 109.10 acres of other leasehold land of which lease agreement is expired and pending to be renewed and registered with the government.
Leasehold Land (Under Capital Work in progress)	941	941	20 acres of leasehold land for which allotment letter is issued by the authority but agreement is yet 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 loan to one company covered in the register maintained under Section 189 of the Companies Act:
- In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loan granted by the Company are not, prima facie, prejudicial to the interest of the Company.
 - The loan is repayable within a period of two years. The installment amount is not fixed. The interest payment dates are not fixed and is payable along with principle repayment. As repayment amount is not fixed for principle and interest, in our opinion no amounts are overdue as at the 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 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:
- 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.
 - According to the records examined and information and explanations given to us, no undisputed amount payable



Annexure A

to the independent auditor's report (Contd.)

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 2019, 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:

Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount in dispute
Income Tax Act 1961	Assessment year 1999-00 to 2015-16	Commissioner Appeals, ITAT, Honourable High Court	₹ 1,551 Lakhs (net of refunds adjusted ₹ 1,958 lakhs)
Central Excise Act 1944	2008-09 to 2012-13	Commissioner- CESTAT	₹ 65.15 lakhs
The Customs Act 1962	2013-14 & 2016-17	Honourable Supreme Court, Commissioner of Customs (Appeals)	₹ 540.27 lakhs (Net of recoveries done by department ₹ 21.48 lakhs)
The Tamilnadu General Sales Tax Act	2005-06	Madras High Court	₹ 30.66 lakhs
Service tax under Finance Act 1994	2011-12, 2015-16 & 2016-17	Commissioner Appeals, CESTAT	₹ 1.23 lakhs (Net of recoveries done by department ₹ 0.45 lakhs)

- 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 standalone 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

Sukhendra Lodha
Partner
Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Annexure B

to the independent auditor's report

(Referred to in paragraph 2 (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 2019 in conjunction with our audit of the Standalone 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 judgment, 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. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Annexure B

to the independent auditor's 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, 2019, 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

Sukhendra Lodha
Partner
Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Balance Sheet

as at 31st March 2019

(₹ in Lakhs)

	Note	As at	
		31st March, 2019	31st March, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	98,423.34	1,03,319.22
Capital work-in-progress	3	3,703.75	322.25
Investment properties	4	-	-
Intangible assets	5	84.83	208.63
Biological assets other than bearer plants	6	997.45	1,661.40
Financial Assets:			
i) Investments in subsidiary and associates	7	1.99	1.99
ii) Other investments	7	74.60	100.41
iii) Other financial assets	8	198.66	180.76
Other non-current assets	9	686.22	1,259.23
Current tax assets (net)	10	1,656.29	1,420.21
Deferred tax assets (net)	11	1,323.38	-
Total Non-Current Assets		1,07,150.51	1,08,474.10
Current Assets			
Inventories	12	42,752.59	34,289.29
Biological assets other than bearer plants	6	149.49	137.64
Financial Assets :			
i) Investments	7	22,189.09	-
ii) Trade receivables	13	16,262.66	11,892.79
iii) Cash and cash equivalents	14	225.50	718.10
iv) Other bank balances	15	311.21	256.35
v) Other financial assets	8	1,068.10	403.70
Other current assets	16	1,424.99	2,689.82
Assets classified as held for sale	17	6.59	186.89
Total Current Assets		84,390.22	50,574.58
Total Assets		1,91,540.73	1,59,048.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,320.98	1,320.98
Other equity	19	1,09,030.83	82,579.73
Total Equity		1,10,351.81	83,900.71
Liabilities			
Non-Current Liabilities			
Financial Liabilities :			
i) Borrowings	20	15,092.72	21,028.68
ii) Other financial liabilities	21	7,709.17	7,487.08
Provisions	22	374.50	370.68
Deferred tax liabilities (net)	23	-	1,415.40
Other non-current liabilities	24	6,833.56	6,471.30
Total Non-Current Liabilities		30,009.95	36,773.14
Current Liabilities			
Financial Liabilities :			
i) Borrowings	25	15,867.98	4,419.31
ii) Trade payables	26	19,043.08	20,196.06
iii) Other financial liabilities	21	12,471.59	10,444.74
Provisions	22	550.67	616.35
Other current liabilities	27	3,245.65	2,698.37
Total Current Liabilities		51,178.97	38,374.83
Total Equity and Liabilities		1,91,540.73	1,59,048.68

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Shashi Bangur**P. N. Kapadia****M. P. Taparia****Lt. Gen. (Retd.) Utpal Bhattacharya****Krishna Kumar Karwa****Amitav Kothari****Sudarshan Somani**

Directors

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary



Statement of Profit & Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

	Note	For the year ended	
		31st March, 2019	31st March, 2018
Revenue from operations	28	1,97,735.70	1,73,199.62
Revenue from trading operations	29	215.18	192.41
Other income	30	2,025.48	1,829.26
Total Income		1,99,976.36	1,75,221.29
Expenses			
Cost of materials consumed	31	1,00,579.57	90,265.15
Purchases of stock in trade	32	183.24	119.29
Excise duty on sale of goods	33	-	2,372.11
Changes in inventories of finished goods & work in progress	34	(2,196.75)	650.58
Employee benefits expense	35	13,829.79	12,326.10
Finance costs	36	2,897.06	4,165.40
Depreciation and amortization expense	37	17,526.11	11,622.45
Other expenses	38	34,615.62	31,444.59
Total Expenses		1,67,434.64	1,52,965.67
Profit before exceptional items and tax		32,541.72	22,255.62
Exceptional items		-	-
Profit before tax		32,541.72	22,255.62
Income tax expense	39		
Current tax		6,799.99	4,550.72
MAT credit entitlement		(2,128.62)	(4,550.72)
Deferred tax		(1,735.22)	(66.99)
Total tax expenses		2,936.15	(66.99)
Profit/ (loss) for the period from continuing operations		29,605.57	22,322.61
Other Comprehensive Income	19		
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss			
Remeasurement of employees benefit obligations		32.27	(70.49)
Income Tax relating to Items that will not be reclassified to Profit or Loss		(6.95)	15.04
Other Comprehensive Income for the period (net of tax)		25.32	(55.45)
Total Comprehensive Income for the year		29,630.89	22,267.16
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (in ₹)		44.82	33.80
Diluted Earning per share (in ₹)		44.82	33.80
Significant Accounting Policies	1		

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Shashi Bangur

P. N. Kapadia

M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors



Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	32,541.72	22,255.62
Adjustments for		
Depreciation and amortisation	17,526.11	11,622.45
Loss / (Gain) on disposal of property, plant and equipment	497.34	(261.23)
Loss / (Gain) on sale of investments	-	(1.80)
Dividend and interest income classified as investing cash flows	(699.80)	(47.20)
Rent receipt	(98.80)	(5.25)
Finance costs	2,645.56	4,084.54
Government grant income	(621.05)	(621.05)
Provision for doubtful debts	-	325.56
Bad debts / assets written off	56.19	98.73
Net exchange differences	251.50	152.19
Fair Value adjustment in Investment	(163.28)	(17.68)
Liabilities & Provisions written back	(138.51)	(172.36)
Total	19,255.26	15,156.90
Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary		
(Increase) / Decrease in trade receivables	(4,369.87)	551.35
(Increase) / Decrease in inventories	(7,811.19)	(6,022.14)
Increase / (Decrease) in trade liabilities	(1,152.98)	5,569.18
(Increase) / Decrease in other financial assets	17.90	26.41
(Increase) / Decrease in other non-current assets	241.47	657.74
(Increase) / Decrease in other current assets	1,423.07	1,310.68
Increase / (Decrease) in provisions	74.91	(1,068.00)
Increase / (Decrease) in other financial liabilities	4,235.18	(981.04)
Increase / (Decrease) in non-current liabilities	909.55	343.61
Total	(6,431.96)	387.79
Cash generated from operations	45,365.03	37,800.31
Less: Income Tax paid	5,940.71	5,182.04
Net cash flow from operating activities	39,424.32	32,618.27
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(16,363.61)	(14,883.63)
Purchase of intangible assets	(21.66)	(7.47)
Investment in subsidiary	-	(1.99)
Proceeds from sale of investments	-	1.80
Proceeds from sale of property, plant & equipment / investment property	180.30	309.60
Rent received	98.80	5.25
Interest received	693.16	47.20
Bank deposits	(54.86)	684.43
Loan to subsidiary	(816.00)	(50.00)
Investment in mutual fund	(22,000.00)	-
Net cash flow from investing activities	(38,283.87)	(13,894.81)



Cash Flow Statement (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	9,335.69
Repayments of Long Term Borrowings	(7,922.21)	(18,710.64)
Proceeds / Repayment of Short Term Borrowings (net)	11,493.46	(3,945.60)
Interest and finance charges	(2,024.51)	(4,084.54)
Dividends paid to company's shareholders	(2,641.96)	(1,651.22)
Dividend Distribution Tax	(537.84)	(336.15)
Net cash inflow / (outflow) from financing activities	(1,633.06)	(19,392.46)
Net Increase / (Decrease) in cash and cash equivalents	(492.60)	(669.00)
Net Increase or Decrease in cash and cash equivalents during the year	(492.60)	(669.00)
Cash and cash equivalents at the beginning of the financial year	718.10	1,387.10
Cash and cash equivalents at the end of the financial year	225.50	718.10

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Shashi Bangur

P. N. Kapadia

M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors



Statement of Changes in Equity

for the year ended 31st March, 2019

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

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 2018	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
For the year ended 31st March 2019	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		
Opening as on 1st April 2017	14,572.54	5,187.94	6,500.00	277.50	36,934.35	(878.92)	62,593.41
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)
Balance as on 31st March 2018	14,572.54	25,229.71	6,500.00	277.50	36,934.35	(934.37)	82,579.73
Opening as on 1st April 2018	14,572.54	25,229.71	6,500.00	277.50	36,934.35	(934.37)	82,579.73
Profit for the year	-	29,605.58	-	-	-	-	29,605.58
Impact due to Fair Value adjustment of Government Grant	-	-	-	-	-	-	-
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	25.32	25.32
Dividends paid (including Dividend Distribution Tax)	-	(3,179.80)	-	-	-	-	(3,179.80)
Balance as on 31st March 2019	14,572.54	51,655.49	6,500.00	277.50	36,934.35	(909.05)	1,09,030.83

The Board of Directors of the Company recommended a Dividend of ₹ 5.00 per share (for the year ended 31st March 2018, ₹ 4.00 per share) to 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 ₹ 3,302.45 lakhs (for the year ended 31st March 2018, ₹ 2,641.96 lakhs). Income Tax on proposed dividend being ₹ 678.82 lakhs (for the year ended 31st March 2018, ₹ 537.84 lakhs).

- 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 created in relation to issuance of debentures 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, 2013.
- 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 per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha
Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Shashi Bangur
P. N. Kapadia
M. P. Taparia
Lt. Gen. (Retd.) Utpal Bhattacharya
Krishna Kumar Karwa
Amitav Kothari
Sudarshan Somani
Directors



Notes on Standalone Financial Statements

for the year ended 31st March, 2019

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

I. The Company Overview:

West Coast Paper Mills 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 29, 2019.

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 Tax / Duty credit availed) 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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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 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 (Years)	Method
1.	Plant and Machinery*- Paper machines	20	WDV
2.	Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant	20	WDV
3.	Roads & Drainage*	20	WDV

Sr. No.	Particulars	Useful Life (Years)	Method
4.	OFC Plant & Machinery*	20	WDV
5.	JFTC Plant & Machinery*	20	WDV
6.	Coal Handling Plant*	20	WDV
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	WDV

*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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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 net carrying amount or realizable value whichever is lower.

f) **Investments:**

Investments in Subsidiary and associates

The investments are classified as Non-current Investment and the same is accounted at cost.

Other Investments

Current investments are carried at the lower of cost or quoted to / fair value, computed category-wise.

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.

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), taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

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 sub-letting of properties is recognised on a straight line basis over the term of the relevant leases.

During the year Company adopted Ind AS - 115 Revenue from Contract with Customer. There was no significant impact on the Company due to adoption of revised Ind AS.

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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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 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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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, 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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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 (MAT) 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 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



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

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 :

Amendment to Ind AS 19 – plan amendment, curtailment or settlement :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlement.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 116 Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

IND AS 109 Financial Instruments :

The amendment enables entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.

IND AS 23 Borrowing Cost :

This amendment clarifies the borrowings cost to be considered for capitalisation. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is evaluating the requirements of the amendments and the impact on the financial statements. The effect on adoption of Ind AS 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 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 PPE & intangible assets
- 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.)

as at 31st March, 2019

(₹ 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
	Gross carrying value as at 1st Apr 2017	61.61	156.11	21,353.57	1,92,041.78	429.17	1,217.02	2,15,259.26
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	-	-	-	(292.25)	-	(45.13)	(337.38)
	Gross carrying value as at 31st Mar 2018	61.61	162.04	21,980.18	2,05,602.36	484.87	1,265.50	2,29,556.56
	Accumulated Depreciation as at 1st Apr 2017	-	-	11,698.82	1,02,526.36	254.80	984.54	1,15,464.52
1	Depreciation	-	-	862.45	10,558.89	20.65	90.15	11,532.14
2	Assets held for sale	-	-	-	(467.75)	-	(1.13)	(468.88)
3	Effect on foreign currency	-	-	-	-	-	-	-
4	Eliminated on disposal of asset	-	-	-	(248.24)	-	(42.20)	(290.44)
	Accumulated Depreciation as at 31st March 2018	-	-	12,561.27	1,12,369.26	275.45	1,031.36	1,26,237.34
	Net carrying value as at 31st March 2018	61.61	162.04	9,418.91	93,233.10	209.42	234.14	1,03,319.22
	Gross carrying value as at 1st Apr 2018	61.61	162.04	21,980.18	2,05,602.36	484.87	1,265.50	2,29,556.56
1	Additions	-	-	412.77	11,987.51	119.32	158.73	12,678.33
2	Reclassified as held for sale	-	-	-	(57.06)	-	-	(57.06)
3	Effect of foreign exchange (gain) / loss	-	-	-	303.77	-	-	303.77
4	Deletions	-	-	-	(2,692.43)	-	-	(2,692.43)
	Gross carrying value as at 31st Mar 2019	61.61	162.04	22,392.95	2,15,144.15	604.19	1,424.23	2,39,789.17
	Accumulated Depreciation as at 1st Apr 2018	-	-	12,561.27	1,12,369.26	275.45	1,031.36	1,26,237.34
1	Depreciation	-	-	908.37	16,270.54	51.04	150.70	17,380.65
2	Assets held for sale	-	-	-	(50.47)	-	-	(50.47)
3	Effect on foreign currency	-	-	-	-	-	-	-
4	Eliminated on disposal of asset	-	-	-	(2,201.69)	-	-	(2,201.69)
	Accumulated Depreciation as at 31st March 2019	-	-	13,469.64	1,26,387.64	326.49	1,182.06	1,41,365.83
	Net carrying value as at 31st March 2019	61.61	162.04	8,923.31	88,756.51	277.70	242.17	98,423.34

- Buildings are constructed on leasehold land for which company pays only ground rent except non-factory buildings worth ₹ 62.49 Lakhs (Previous Year ₹ 62.49 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 loss amounting to ₹ 303.77 Lakhs [Previous year ₹ (18.70) 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 31.03.2019 is ₹ 686.97 Lakhs. Other borrowing cost capitalised during the year is ₹ NIL (Previous Year ₹ 77.48 Lakhs).



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

		As at	
		31st March, 2019	31st March, 2018
Note 3	CAPITAL WORK-IN-PROGRESS		
	Opening Balance	322.25	601.42
	Add: Additions during the year	15,905.45	14,688.49
		16,227.70	15,289.91
	Less: Capitalised during the year	12,523.95	14,967.66
	Closing Balance	3,703.75	322.25
Note 4	INVESTMENT PROPERTIES		
	Cost	-	14.34
	Additions	-	-
	Deletion\Disposal	-	14.34
	Closing gross carrying value	-	-
	Accumulated depreciation	-	10.48
	Depreciation for the year	-	0.14
	Deletion\Disposal	-	(10.62)
	Closing accumulated depreciation	-	-
	Net carrying value of investment properties	-	-
	Amount recognized in profit or loss from investment properties		
	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	-	-
	Profit from investment properties before depreciation	-	281.59
	Depreciation	-	0.14
	Profit from investment properties	-	281.45
	Fair value of the investment properties	-	-
Note 5	INTANGIBLE ASSETS		
	Computer Software		
	Cost	616.43	608.96
	Additions	21.66	7.47
	Deletions	-	-
	Closing gross value	638.09	616.43
	Accumulated amortization	407.80	317.63
	Amortization expense	145.46	90.17
	Closing accumulated amortization	553.26	407.80
	Net carrying value of intangible assets	84.83	208.63



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 6 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
Opening balance	1,799.04	2,469.75
Expenses during the year	125.59	187.21
Consumption during the year	(777.69)	(857.92)
Closing balance	1,146.94	1,799.04
Reconciliation		
Non-current assets		
Immature crops	997.45	1,661.40
Total non-current assets	997.45	1,661.40
Current assets		
Matured crops	149.49	137.64
Total current assets	149.49	137.64
Total biological assets other than bearer plants	1,146.94	1,799.04
Note 7 INVESTMENTS		
Non Current		
Investment in Subsidiaries		
Unquoted (at cost)		
19,940 Equity Shares (Previous Year : 19,940) of ₹ 10 each of West Coast Opticables Limited	1.99	1.99
Investment in Associates*		
Unquoted (at cost)		
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 : 22,16,680) of ₹ 10 each of Fort Gloster Industries Limited (associate upto 19th March 2018)	-	-
Total Investment in associates	-	-
Total Investments in subsidiary and associates	1.99	1.99
Others		
Quoted (at fair value through profit or loss)		
5,42,399 Equity Shares (Previous Year : 5,42,399) of ₹ 10 each of Jayashree Chemicals Limited	39.22	65.03
Unquoted (at amortised cost)		
20,943 Equity Shares (Previous Year : 20,943) of ₹ 10 each of Kilkotagiri and Thirumbadi Plantations Limited	35.27	35.27
37 Equity Shares (Previous Year : 37) of ₹ 100 each of Placid Limited	0.01	0.01
	74.50	100.31
Investments in Government Securities (at amortised cost)		
6 Year National Savings Certificate	0.10	0.10
Total of Investment in Government Securities	0.10	0.10
Total of Non-current Investments	76.59	102.40



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Current Unquoted		
Investments in Mutual Funds (at fair value through Profit or Loss)		
Axis Bank Liquid Fund - Direct Growth - 2,91,891 Units of ₹ 10 each (NAV : ₹ 2,073.52)(Previous Year : NIL)	6,052.42	-
HDFC Liquid Fund - Direct Growth - 1,09,699 Units of ₹ 10 each (NAV : ₹ 3,678.29) (Previous Year : NIL)	4,035.04	-
ICICI Prudential Liquid Fund - 21,89,369 units of ₹ 10 each (NAV : ₹ 276.42)(Previous Year : Nil)	6,051.78	-
Kotak Liquid Direct Plan - Growth Fund - 1,59,866 Units of ₹ 10 each (NAV : ₹ 3,784.33) (Previous Year : Nil)	6,049.85	-
Total of Current Investments	22,189.09	-
Total of Current and Non-current Investments	22,265.68	102.40
Aggregate cost of quoted investments	94.96	94.96
Aggregate market value of quoted investments	39.22	65.03
Aggregate amount of unquoted investments	22,035.27	35.27
Aggregate provision for diminution in value of investment	55.74	29.93

*Investment in associates are valued at ₹ Nil due to erosion in net worth of associate companies resulting in impairment of value recognised in earlier years. The cost of investment was ₹ 185.01 Lakhs.

Note 8 OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)

Non-current		
a) Security deposit	198.66	180.76
Total non-current Other Financial Assets	198.66	180.76
Current		
a) Security deposit	145.30	311.05
b) Other loans	50.16	42.65
c) Loans to related parties (Subsidiary)	872.64	50.00
Total Other Current Financial Assets	1,068.10	403.70
Total of other Financial Assets	1,266.76	584.46

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

Note 9 OTHER NON-CURRENT ASSETS

Capital advances	636.22	1,209.23
Deposit with customs	50.00	50.00
Total other non-current assets	686.22	1,259.23

Note 10 CURRENT TAX ASSETS (NET)

Advance tax / Tax paid at source (net of provision)* (Refer Note No. 40(1)(b))	1,656.29	1,420.21
	1,656.29	1,420.21

* Provision for tax ₹ 6799.99 Lakhs and Advance Tax ₹ 6800.00 Lakhs is pertaining to current year.



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 11 DEFERRED TAX ASSETS (NET)		
Deferred tax liabilities on account of WDV of fixed assets	(13,846.98)	-
	(13,846.98)	-
Deferred tax assets on account of:		
Disallowances under section 43B of Income Tax Act	(493.44)	-
Adjustments to Ind AS	(1,420.96)	-
Tax holiday period	(99.23)	-
Provision for doubtful debts	(130.19)	-
	(2,143.82)	-
Total Deferred Tax Liabilities	(11,703.16)	-
MAT Credit Entitlement	13,026.54	-
Total Deferred Tax Assets (Net)	1,323.38	-

Note 12 INVENTORIES		
Raw Materials (at weighted average cost) *	19,991.87	19,063.61
Work in progress (at cost)	522.00	223.91
Finished goods (at lower of cost or net realisable value)	3,443.27	1,544.60
Stores and spares (at weighted average cost) #	18,311.73	13,157.34
Loose tools (at cost)	291.55	242.34
Stock at scrap (at realizable value)	192.17	57.49
Total inventories	42,752.59	34,289.29

* includes Raw Material in transit of ₹ 1,224.36 Lakhs (Previous Year : ₹ 221.93 Lakhs).

includes Stores and Spares in transit of ₹ 155.96 Lakhs (Previous Year : ₹ Nil).

Note 13 TRADE RECEIVABLES (Unsecured considered good unless otherwise stated)		
Current		
Considered good	16,262.66	11,892.79
Considered doubtful	372.56	397.75
	16,635.22	12,290.54
Less: Allowances for credit losses	372.56	397.75
Total trade receivables	16,262.66	11,892.79

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

Note 14 CASH AND CASH EQUIVALENTS		
Balance with banks		
In current account	220.03	707.32
Cash on hand	5.47	10.78
Total Cash and Cash Equivalents	225.50	718.10

Note 15 OTHER BANK BALANCES		
In unpaid dividend accounts	68.13	50.92
In margin money deposits against guarantee	230.45	196.18
In deposit accounts *	12.63	9.25
	311.21	256.35

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

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

	As at	
	31st March, 2019	31st March, 2018
Note 16 OTHER CURRENT ASSETS		
Advances other than capital advances		
a) Payment to vendors for supply of goods & services	1,030.73	1,655.42
Others		
a) Prepaid expenses	189.51	243.78
b) Other assets	192.70	194.30
c) Balances with Government authorities	12.05	596.32
Total Other Current Assets	1,424.99	2,689.82
Note 17 ASSETS CLASSIFIED AS HELD FOR SALE		
DG Set	-	127.83
JFTC Plant	6.59	59.06
Total Assets classified as held for sale	6.59	186.89

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.

Note 18 EQUITY SHARE CAPITAL		
Authorized		
15,00,00,000 (Previous Year : 15,00,00,000) Equity Shares of ₹ 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
Total	9,500.00	9,500.00
Issued, Subscribed and Paid-Up		
6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares of ₹ 2/- each fully paid up	1,320.98	1,320.98
Total Equity share capital	1,320.98	1,320.98

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
As at 1st April 2017	6,60,48,908	1,320.98
Shares issued during the year	-	-
Shares bought back during the year	-	-
Redemption of shares	-	-
As at 31st March 2018	6,60,48,908	1,320.98
Shares issued during the year	-	-
Shares bought back during the year	-	-
Redemption of shares	-	-
As at 31st March 2019	6,60,48,908	1,320.98

Details of shareholders holding more than 5% shares

Name of shareholders	As at			
	31st March, 2019		31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Veer Enterprises Ltd.	1,06,29,054	16.09	1,05,38,054	15.95
Shree Satyanarayan Investments Co. Ltd.	1,03,62,973	15.69	1,03,12,973	15.61
Reliance Capital Trustee Co. Ltd., A/c Reliance Small cap fund	42,38,015	6.42	40,52,175	6.14



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

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

Note 19 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
For the year ended 31st March 2018	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
For the year ended 31st March 2019	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		
Opening as on 1st April 2017	14,572.54	5,187.94	6,500.00	277.50	36,934.35	(878.92)	62,593.41
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 DistributionTax)	-	(1,987.37)	-	-	-	-	(1,987.37)
Balance as on 31st March 2018	14,572.54	25,229.71	6,500.00	277.50	36,934.35	(934.37)	82,579.73
Opening as on 1st April 2018	14,572.54	25,229.71	6,500.00	277.50	36,934.35	(934.37)	82,579.73
Profit for the year	-	29,605.58	-	-	-	-	29,605.58
Impact due to Fair Value adjustment of Government Grant	-	-	-	-	-	-	-
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	25.32	25.32
Dividends paid (including Dividend DistributionTax)	-	(3,179.80)	-	-	-	-	(3,179.80)
Balance as on 31st March 2019	14,572.54	51,655.49	6,500.00	277.50	36,934.35	(909.05)	1,09,030.83

The Board of Directors of the Company recommended a Dividend of ₹ 5.00 per share (for the year ended 31st March 2018, ₹ 4.00 per share) to 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 ₹ 3,302.45 lakhs (for the year ended 31st March 2018, ₹ 2,641.96 lakhs). Income Tax on proposed dividend being ₹ 678.82 lakhs (for the year ended 31st March 2018, ₹ 537.84 lakhs).

- 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 created in relation to issuance of debentures 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, 2013.
- 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.)

as at 31st March, 2019

(₹ in Lakhs)

		As at	
		31st March, 2019	31st March, 2018
Note 20	NON CURRENT BORROWINGS		
	Non-current Borrowings		
	Secured at amortized cost		
	a) <u>Term Loans from banks</u>		
	Axis Bank Ltd.	-	3,600.00
	Less: Unamortised value of transaction cost	-	20.38
	Subtotal A	-	3,579.62
	Standard Chartered Bank-ECB LOAN	8,516.69	9,416.30
	Less: Unamortised value of transaction cost	43.43	80.61
	Subtotal B	8,473.26	9,335.69
	b) <u>Term Loans from Financial Institutions:</u>		
	International Finance Corporation [IFC, Washington, DC]	1,627.30	4,600.95
	Subtotal C	1,627.30	4,600.95
	Total term loans [A+B+C]	10,100.56	17,516.26
	Less: Current maturities of Long Term Borrowings	4,047.36	5,472.26
	Total Non-current Term Loans	6,053.20	12,044.00
	Unsecured at amortized cost		
	Other loans		
	i) <u>From Others</u>		
	Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka	9,210.83	9,195.51
	Add: Fair value adjustment due to Ind AS adoption	494.12	394.90
	Less: Current maturity of Long Term Borrowings	665.43	605.73
	Total other loans	9,039.52	8,984.68
	Total non-current borrowings	15,092.72	21,028.68

Nature of security

- 1 Loan from Axis Bank Limited was secured by way of first charge on Plant and Machinery of Dandeli Plant on pari passu basis with IFC and Standard Chartered Bank. Loan is prepaid in May 2018.
- 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 Limited.
- 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.)

as at 31st March, 2019

(₹ in Lakhs)

Terms of repayment of term loan and other loans

As at March 31, 2019

Particulars	Amount Outstanding	Rate of Interest (%)	Period	Terms of Repayment
Term Loans				
IFC, Washington	-	4.37%	June - 07 to July - 19	Six monthly installments
Axis Bank Limited	-	-	Aug - 17 to Apr - 21	Prepaid in May 2018
Standard Chartered Bank - ECB Loan	6,053.20	4.38%	Jul - 17 to Aug - 22	Quarterly installments
Interest free - Sales tax Loan	9,039.52	-	Jun - 14 to Jun - 25	Yearly installments
Total term loan	15,092.72	-		

As at March 31, 2018

Particulars	Amount Outstanding	Rate of Interest (%)	Period	Terms of Repayment
Term Loans				
IFC, Washington	1,533.66	3.74%	June - 07 to July - 19	Six monthly installments
Axis Bank Limited	2,384.60	9.25%	Aug - 17 to Apr - 21	Monthly installments
Standard Chartered Bank - ECB Loan	8,125.74	3.63%	Jul - 17 to Aug - 22	Quarterly installments
Interest free - Sales tax Loan	8,984.68	-	Jun - 14 to Jun - 25	Yearly installments
Total term loan	21,028.68	-		

	As at	
	31st March, 2019	31st March, 2018
Note 21 OTHER FINANCIAL LIABILITIES		
Non-current		
Others-		
Dealer Deposits	3,982.88	3,131.06
Employee Security Deposits	-	8.68
Deferred Government Grant	3,726.29	4,347.34
Total non-current other financial liabilities	7,709.17	7,487.08
Current		
Current maturities of long term debts	4,712.80	6,077.99
Current maturities of Deferred Government Grant	621.05	621.05
Interest accrued but not due on borrowings	74.73	126.05
Unpaid dividend	68.13	50.92
Other financial liabilities	6,994.88	3,568.73
Total current other financial liabilities	12,471.59	10,444.74
Total other financial liabilities	20,180.76	17,931.82

Note 22 PROVISIONS		
Non-current		
Provision for Employee benefit	374.50	370.68
Total non-current provisions	374.50	370.68
Current		
Provision for Employee benefit	550.67	616.35
Total current provisions	550.67	616.35



Notes on Standalone Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 23 DEFERRED TAX LIABILITIES		
Deferred tax liabilities on account of WDV of fixed assets	-	15,496.37
	-	15,496.37
Deferred tax assets on account of:		
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
Total deferred tax liabilities	-	13,438.38
Less: MAT credit entitlement	-	(12,022.98)
Total Deferred Tax Liabilities (Net)	-	1,415.40

Note 24 OTHER NON-CURRENT LIABILITIES		
Decommissioning & Dismantling liability	6,833.56	6,471.30
Total other non-current liabilities	6,833.56	6,471.30
Reconciliation		
Opening Balance	6,471.30	6,127.69
Unwinding of discounts and effect of change in discount rate	362.26	343.61
Reduction arising from payments	-	-
Closing balance	6,833.56	6,471.30

Note 25 CURRENT BORROWINGS		
Current		
Secured		
Loan repayable on demand from banks*	15,867.98	4,419.31
Total current borrowings	15,867.98	4,419.31

* 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.

Note 26 TRADE PAYABLES		
Trade Payables		
Others		
Other payables	18,954.03	20,192.77
MSME		
Other payables	8.81	3.29
Due to subsidiaries	80.24	-
Total trade payables	19,043.08	20,196.06

Note 27 OTHER CURRENT LIABILITIES		
Statutory liabilities	703.33	522.34
Other liabilities	2,542.32	2,176.03
Total other current liabilities	3,245.65	2,698.37



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 28 REVENUE FROM OPERATIONS		
Sales of Products		
Paper and Board	1,85,140.17	1,64,619.98
Cables	11,692.84	7,588.74
Wind Power	18.66	13.04
Other Operating Revenues		
Export Promotion Incentive	103.64	127.58
Scrap Sales	780.39	850.28
Total revenue from operations	1,97,735.70	1,73,199.62
Note 29 REVENUE FROM TRADING OPERATIONS		
Revenue from trading operations	215.18	192.41
Total Revenue from trading operations	215.18	192.41
Note 30 OTHER INCOME		
Interest Income		
From Banks	16.84	35.28
From Others	682.95	11.91
Other Non - Operating Income		
Profit on sale of Property, Plant & Equipment / Investment Property	84.26	283.22
Rent received	98.80	81.19
Income from government grant	621.05	621.05
Profit on sale of Investment	-	1.80
Liabilities and provisions written back	138.51	172.37
Sundry Balances written back	-	496.46
Fair Value gain on mutual fund investment	189.09	-
Others	193.98	125.98
Total other income	2,025.48	1,829.26
Note 31 COST OF MATERIALS CONSUMED		
Pulp Wood, Pulp & Waste Paper	59,827.01	60,112.60
Optical Fiber, PBT, HDPE & Others	8,644.75	4,519.14
Chemicals & Dyes	26,449.22	20,787.24
Packing Materials	5,658.59	4,846.17
Total cost of materials consumed	1,00,579.57	90,265.15
Note 32 PURCHASES OF STOCK IN TRADE		
Purchase of trading goods	183.24	119.29
Total purchases of stock in trade	183.24	119.29
Note 33 EXCISE DUTY ON SALE OF GOODS		
Excise duty on sale of goods (Refer Note No. 51)	-	2,372.11
Total excise duty on sale of goods	-	2,372.11



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at			
	31st March, 2019		31st March, 2018	
Note 34 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS				
Opening Stock of Finished Goods				
- Paper and Board	1,389.24		1,865.74	
- O. F. C. Cables, etc.	155.36	1,544.60	198.62	2,064.36
Closing Stock of Finished Goods				
- Paper and Board	3,111.36		1,389.24	
- O. F. C. Cables, etc.	331.91	3,443.27	155.36	1,544.60
		(1,898.67)		519.76
Opening Stock of Work-in-progress	223.92		470.73	
Closing Stock of Work-in-progress	522.00	(298.08)	223.92	246.81
		(298.08)		246.81
Variation in Excise Duty on Opening and Closing Stock of Finished Goods			-	(115.99)
Total change in inventory of Finished Goods & WIP		(2,196.75)		650.58

	As at	
	31st March, 2019	31st March, 2018
Note 35 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	11,569.89	10,330.93
Provident & Family Pension Funds	794.50	750.02
Employees State Insurance	99.12	111.30
Gratuity Fund	155.56	153.39
Superannuation Fund	37.90	37.48
Employees Group Insurance	20.23	20.47
Leave Encashment	62.28	98.22
Staff Welfare Expense	1,090.31	824.29
Total employee benefits expense	13,829.79	12,326.10

	As at	
	31st March, 2019	31st March, 2018
Note 36 FINANCE COSTS		
Interest Expense:		
Term Loans	755.64	1,521.37
Others	964.89	1,316.37
Interest cost on Sales Tax Loan	720.27	722.48
Other Borrowing Costs	204.76	524.32
Applicable Net Loss (Gain) on Foreign Currency Transactions & Translation	251.50	80.86
Total Finance costs	2,897.06	4,165.40

	As at	
	31st March, 2019	31st March, 2018
Note 37 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant and Equipment	17,380.65	11,532.14
Depreciation on Investment Properties	-	0.14
Amortisation of Intangible Assets	145.46	90.17
Total Depreciation and Amortisation	17,526.11	11,622.45



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 38 OTHER EXPENSES		
Consumption of Stores & Spare Parts	5,960.11	5,587.27
Power, coal and water	17,983.86	16,852.54
Rent	243.39	221.41
Repair and maintenance of Buildings	1,499.95	1,254.69
Repair and maintenance of Plant and Machinery	1,638.45	1,801.68
Repair and maintenance of Other Assets	308.22	340.55
Insurance	199.33	204.24
Rates & Taxes	58.70	88.57
Research & Development Expenses	47.16	55.00
Miscellaneous Expenses	1,773.86	1,408.64
Payment to Auditors		
Audit fees	21.00	15.00
Limited review under listing agreement	3.75	2.00
Taxation Matters	5.00	5.00
Other Services	-	0.18
Reimbursement of Expenses	4.36	4.82
Cost Auditor's Remuneration & Expenses	1.35	1.35
Foreign exchange variation	507.92	71.32
Forwarding Charges on Sales	1,001.10	946.39
Commission on Sales	1,125.43	1,022.01
Bad Debts	56.19	9.57
Provision for doubtful debts	-	315.99
Commission to Director	1,457.13	954.61
Directors' Fees & Expenses		
Sitting Fees	7.95	3.90
Travelling Expenses	16.47	14.60
Charity & Donations	35.32	34.02
Corporate Social Responsibility Expenses	177.37	112.83
Swatch Bharath Cess	-	54.60
Obsolete assets written off / discarded	482.24	39.82
Loss on Sale of Property, Plant & Equipment	0.01	21.99
Total Other Expenses	34,615.62	31,444.59



Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 39 INCOME TAX EXPENSE		
Current Tax Expense		
Current Tax on profits for the year	6,799.99	4,550.72
MAT Credit Entitlement for the year	(872.52)	(4,550.72)
Mat Credit Entitlement for earlier years	(1,256.10)	-
Total Current Tax Expense	4,671.37	-
Deferred Tax		
Decrease / (Increase) in deferred tax assets		
Property, Plant and Equipments	(1,649.39)	(232.35)
(Decrease) / Increase in deferred tax liabilities		
Disallowance under section 43B	(45.60)	(18.23)
Tax holiday period	258.06	297.49
Carry Forward Losses	-	-
Adjustments to Ind AS	(168.10)	(113.90)
Long term Capital Loss	-	-
Provision for doubtful debts	(130.19)	-
Total Deferred Tax Expense / (Benefit)	(1,735.22)	(66.99)
Total Income Tax Expense	2,936.15	(66.99)

Note 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars		
Contingent Liabilities & Commitments		
a. Contingent Liabilities :		
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) (refund adjusted against demand ₹ 1958 Lakhs)	1,551.00	-
b. Excise matters & Service Tax under dispute (paid under protest Nil, Previous Year ₹ 66.39 Lakhs)	71.18	66.39
c. Customs matter under dispute (paid under protest Nil, Previous Year ₹ 71.48 Lakhs)	540.27	540.27
d. Sales Tax matter under dispute	30.66	30.66
e. Other matters under dispute	2,446.64	3,132.36
II. Other money for which the company is contingently liable :		
a. Corporate Guarantee given to subsidiary's Bankers (at the close of the year)	450.00	-
b. ICICI Bank Ltd (refer Note II below)	4,000.00	4,000.00
b. Commitments :		
I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 285.28 Lakhs - Previous Year ₹ 1209.23 Lakhs)	2,609.34	7,944.55



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

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

Notes :

I. Income Tax

- a. The Income Tax assessments of the Company have been completed up to AY 2015-16.
- b. In the Books of Accounts, the Company has accounted Income tax refunds after adjustment of tax demand, if any done by the Income Tax authorities. 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 adjusted tax provision in the Books.
- c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:
The Company claimed deduction under Section 80 IA of the Income Tax Act 1961 in its return of income for Power undertaking for financial year 1998-99 to 2017-18 and for Effluent (Water) treatment for financial year 2016-17 to 2017-18. The assessing officer disallowed the benefit of deduction at assessment stage. The Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the Company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, the Company has a strong case / merit for claiming the deduction and thus expects a favourable outcome.
- d. The total demand outstanding as on 31.03.2019 on account of income tax dues is ₹ 1,551 Lakhs (₹ NIL), net of tax paid/adjusted under protest ₹ 1,958 Lakhs

II. Loan Purchase Agreement

The Company had entered into a 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). The Loan Purchase Agreement was executed for ₹ 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 41 OPERATING LEASE

Total amount of minimum future lease payments are as follows :

Sl. No. Particulars	As at	
	31st March, 2019	31st March, 2018
a) Not later than one year	6.59	6.59
b) One to five year	26.36	26.36
c) More than Five year	145.00	151.59
Total	177.95	184.54

Note : Lease of 289.68 acres (116.11 Hectare) has been renewed upto 28.06.2046. The Deputy Conservator of Forests, Haliyal Division, is in the process of concluding the execution of Lease Agreement.

Note 42 EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 :

Particulars		
Earnings		
Profit for the year	29,605.57	22,322.61
Shares		
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 (₹)	44.82	33.80
Diluted (₹)	44.82	33.80



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 43 RELATED PARTY DISCLOSURES AS PER IND AS 24

I. Relationship :

a. Associate Company

- 1) Speciality Coatings and Laminations Ltd

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
- 5) Shree Rama Trust
- 6) The Marwar Textiles Agency Pvt Ltd
- 7) Kilkotagiri & Thirumbadi Plantation Ltd

d. Key Management Personnel (KMP)

- 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) Smt. Shashi Bangur
- 2) Shri Virendraa Bangur
- 3) Shri Saurabh 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

II. The following is a summary of related party transactions

Particulars	As at	
	31st March, 2019	31st March, 2018
i. Rent paid to :		
1) Veer Enterprises Ltd.	63.44	56.52
2) Shree Satyanarayan Investment Company Ltd.	46.83	44.80
3) Siddhi Trade & Holdings Pvt. Ltd.	15.97	14.76
4) Shri S. K. Bangur	21.35	7.00
5) Smt. Shashi Bangur	0.80	-
6) The Marwar Textiles Agency Pvt Ltd	0.65	0.65
ii. Charity & Donations :		
1) Rangnath Bangur Charitable Trust	30.00	30.00
2) Shree Rama Trust	5.32	4.00



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
iii. Compensation to KMP :		
Salary & other Employee benefit to Directors and Executive Officers	1,819.03	1,288.60
iv. Compensation to Shri Virendraa Bangur	28.00	28.00
v. Purchases from Gloster Cables Ltd.	241.74	288.55
vi. Sales to Kilkotagiri & Thirumbadi Plantation Ltd.	2.47	0.31
vii. Sales to West Coast Opticable Ltd.	183.88	-
viii. Electricity charges recovered from West Coast Opticable Ltd.	30.82	-
ix. Job work chagres paid to West Coast Opticable Ltd.	368.15	-
x. Rent received from West Coast Opticable Ltd.	28.32	-
xi. Gratuity expenses of West Coast Opticable Ltd.	0.44	-
xii. ICD given to West Coast Opticable Ltd.	941.00	50.00
xii. Repayment of ICD received from West Coast Opticable Ltd.	125.00	-
xiii. Interest on ICD received from West Coast Opticable Ltd.	70.94	-
xiv. Service charges on Corporate Guarantee received from West Coast Opticable Ltd.	0.17	-

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

i. Due to related Parties		
1) West Coast Opticable Ltd.	80.24	-
ii. Due from related Parties		
1) Veer Enterprises Ltd. - Security Deposit	5.55	5.55
2) Shree Satyanarayan Investment Company Ltd. - Security Deposit	6.60	6.60
3) Smt. Shashi Bangur - Security Deposit	2.40	-
4) West Coast Opticable Ltd. - Unsecured Loans - ICD	866.00	-
5) West Coast Opticable Ltd. - Interest on ICD	6.64	-

Note 44 EARNINGS IN FOREIGN CURRENCY

Export on FOB/CIF/CFR basis	2,073.89	2,013.65
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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	
	2018-19	2017-18
Employer's Contribution to Provident Fund/Pension Fund	794.50	750.02
Employer's Contribution to Superannuation Fund	37.90	37.48



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

[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	
	2018-19	2017-18
Opening defined benefit obligation	2,968.47	2,873.61
Current service cost	152.30	153.39
Interest cost	233.92	208.62
Benefits paid	(248.51)	(324.64)
Actuarial losses/(gain)	(73.98)	57.49
Obligations at the end of the period	3,032.20	2,968.47

Change in Plan Assets

Opening fair value of plan assets	2927.06	2873.61
Interest income on plan assets	230.65	208.62
Return on Plan Assets, excluding interest income	(48.66)	2.05
Contributions by employer	247.85	167.42
Assets transferred out / divestments	(226.70)	-
Benefits paid	(248.51)	(324.64)
Closing fair value of plan assets	2,881.69	2,927.06

Amount recognized in Balance Sheet

Present value of funded obligations	3,032.20	2,968.47
Fair value of Plan Asset	2,881.69	2,927.06
Net Asset / (Liability)	(150.51)	(41.41)

Expense recognised in statement of Profit and Loss Account

Current service cost	152.30	153.39
Interest cost	233.92	208.83
Interest income on plan assets	(230.65)	(208.83)
Net Income/Expenses recognized in P & L	155.56	153.39

Expense recognised in OCI

Particulars	For the year	
	2018-19	2017-18
Actuarial (Gain) / Losses on Obligation for the period	(73.98)	57.49
Return on Plan Assets, Excluding Interest Income	48.66	(2.04)
Net (Income) / Expenses recognized in OCI	(25.32)	55.45

Sensitivity Analysis

Effect of + 1% increase in discount rate	(154.71)	(135.58)
Effect of - 1% decrease in discount rate	174.05	151.84
Effect of + 1% increase in salary rate	184.52	161.14
Effect of - 1% decrease in salary rate	(165.98)	(145.64)
Effect of + 1% increase in employee turnover	100.77	85.39
Effect of - 1% decrease in employee turnover	(110.30)	(93.24)



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Maturity Profile of projected benefit obligation from the fund

Particulars	For the year	
	2018-19	2017-18
1st following year	724.12	772.83
2nd following year	195.72	271.99
3rd following year	266.24	323.68
4th following year	298.27	260.24
5th following year	305.05	259.16
Sum of years 6 to 10	1,128.49	1,053.36
Sum of years 11 and above	2,322.43	1,962.31

Category of Plan Assets

Managed by:		
LIC	55.23 %	54.82 %
Aditya Birla Capital	1.83 %	1.80 %
ICICI Prudential Life Insurance	42.94 %	43.38 %

Financial assumptions at the valuation date

Discount rate	7.76 %	7.88 %
Estimated rate of return on Plan Assets	7.76 %	7.88 %
Salary escalation over and above highest of salary in grade	1.00 %	1.00 %

Note 46 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR)

Particulars	As at	
	2018-19	2017-18
Number of non-resident shareholders	302	313
Number of shares held by them on which dividend was paid	2,23,350	2,16,256
Amount remitted - net of tax (₹ lakhs)	8.93	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 31.03.2019 and in respect of Assets / Liabilities as at 31.03.2019 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”.

Particulars	Paper		Cables		Others		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue										
Gross Turnover	1,85,989.07	1,65,532.07	11,727.96	7,654.51	18.66	13.04	-	-	1,97,735.70	1,73,199.62
Less : Excise Duty	-	2,212.95	-	159.16	-	-	-	-	-	2,372.11
Net Turnover	1,85,989.07	1,63,319.12	11,727.96	7,495.35	18.66	13.04	-	-	1,97,735.70	1,70,827.51



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Paper		Cables		Others		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment result before Interest and Taxes	33,014.15	25,276.85	1,730.11	1,100.39	(5.26)	(3.41)	-	-	34,739.00	26,373.83
Less : Interest Expenses	-	-	-	-	-	-	2,897.06	4,165.40	2,897.06	4,165.40
Add : Interest Income	-	-	-	-	-	-	699.79	47.19	699.79	47.19
Profit Before Tax	33,014.15	25,276.85	1,730.11	1,100.39	(5.26)	(3.41)	(2,197.27)	(4,036.70)	32,541.72	22,255.62
Current Tax	-	-	-	-	-	-	6,799.99	4,550.72	6,799.99	4,550.72
MAT Credit	-	-	-	-	-	-	(2,128.62)	(4,550.72)	(2,128.62)	(4,550.72)
Deferred Tax	-	-	-	-	-	-	(1,735.22)	(66.99)	(1,735.22)	(66.99)
Profit for the year	33,014.15	25,276.85	1,730.11	1,100.39	(5.26)	(3.41)	(5,133.42)	(3,969.71)	29,605.57	22,322.61
Other Informations										
Segment Assets	1,81,461.31	1,53,594.03	10,031.20	5,403.27	48.22	51.38	-	-	1,91,540.73	1,59,048.68
Segment Liabilities	78,712.71	74,423.37	2,476.21	724.60	-	-	-	-	81,188.92	75,147.97
Capital Expenditure	15,271.17	15,256.29	956.53	33.62	-	-	-	-	16,227.70	15,289.91
Depreciation/Amortisation	17,417.68	11,512.11	105.27	107.18	3.16	3.16	-	-	17,526.11	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 ₹ 872.52 lakhs (Previous year ₹ 4,550.72 lakhs) has been recognized.

Note 49 EVENT OCCURING AFTER BALANCE SHEET DATE

Dividend proposed to be distributed

Particulars	As at	
	31st March, 2019	31st March, 2018
Dividend proposed for equity share holders @ ₹ 5/- per share (Previous Year ₹ 4/- per share)	3,302.45	2,641.96
Dividend Distribution Tax	678.82	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, the revenue from the operations for the year ended 31.03.2019 is not comparable with the corresponding period as sales upto 30th June 2017 was including Excise Duty, whereas it was reported net of GST, post implementation w.e.f. 1st July, 2017.

Note 52 The Company had been granted sales tax deferment facility for Phase III of the expansion, completed in June 2002 over & above fixed base sales tax liability. On reduction of CST rate, Company represented to Karnataka Government to revise the base sales tax liability which was rejected. Company made payment of sales tax considering revised base sales tax liability. Company filed Written Appeal in the Karnataka High Court and decision came in company's favour giving direction to the Department to consider Company's request. Meantime, Government has filed Written Appeal against the decision of Hon'ble High Court. Matter is pending for disposal.



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 53 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	
	31st March, 2019	31st March, 2018
Gross amount required to be spent by the Company during the year	362.78	202.27
Amount spent during the year (including previous carried forward of last year)	177.37	149.90
Promotion of Art & Culture	19.35	10.84
Promotion of Social Activities and Creation of Infrastructure	63.44	71.05
Health Care	2.70	5.03
Sports and Games	5.57	10.72
Others	86.31	52.26
	177.37	149.90

Note 54 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	
	31st March, 2019	31st March, 2018
a. Principal amount remaining unpaid to suppliers at the end of the year	89.05	3.29
b. Interest due thereon remaining unpaid to suppliers at the end of the year	-	-
c. The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day	-	-
d. The amount of interest due and payable	-	-
e. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
	89.05	3.29

Note 55 INCOME TAX**a Amount recognised in Statement of Profit and Loss**

Current Income Tax		
- Current Year	6,799.99	4,550.72
- MAT Credit Entitlement / Reversed	(2,128.62)	(4,550.72)
Deferred Tax	(1,735.22)	(66.99)
Income Tax Expense reported in the Statement of Profit or Loss	2,936.15	(66.99)



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

b Reconciliation of Effective Tax Rate

Particulars	As at	
	31st March, 2019	31st March, 2018
Profit before tax	32,541.72	22,255.62
Enacted Income Tax rate	34.944%	34.608%
Tax At applicable Statutory Income Tax Rate	11,371.37	7,702.22
Effect of Various Disallowance of expense	171.27	437.09
Benefit of previously carried forward losses	-	-
Effect of Deduction under chapter VIA of IT Act	(5,150.12)	(3,702.32)
Effect of previously carried forward loss to increase deferred tax	-	-
Effect of reinstatement of DTL while Ind AS adoption	230.35	180.72
Effect of Ind AS Adjustments to reduce DTL	(168.10)	(113.90)
Effect of derecognising benefit of Long term Capital Loss	-	-
Effect of timing differences in DTL for taxes & Depreciation	503.74	65.14
Other Differences	(158.52)	(18.23)
Tax Expense recognised in Profit & Loss	6,799.99	4,550.72
Effective Tax Rate (Actual or MAT rate which ever is higher)	20.90%	20.45%

Note 56 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 AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.

Note 57 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Categories of Financial Instruments

Financial Assets

Sl. No.	Particulars	Note	As at			
			31st March, 2019		31st March, 2018	
			Carrying Value	Fair Value*	Carrying Value	Fair Value*
1	Financial Assets Designated at Fair Value through Profit or Loss					
i)	Derivatives - not designated as hedging instruments		-	-	-	-
ii)	Investment in Equity Shares	7	39.22	39.22	65.04	65.04
iii)	Investment in Mutual Funds	7	22,189.09	22,189.09	-	-
2	Financial Assets designated at Fair Value through Other Comprehensive Income					
i)	Investment in Equity Shares		-	-	-	-
3	Financial Assets designated at Amortised Cost					
i)	Investment in Equity Shares	7	35.28	35.28	35.28	35.28
ii)	Investment in Government securities	7	0.10	0.10	0.10	0.10
iii)	Trade receivables	13	16,262.66	16,262.66	11,892.79	11,892.79
iv)	Cash and Cash Equivalents	14	225.50	225.50	718.10	718.10
v)	Other Bank Balances	15	311.21	311.21	256.35	256.35
vi)	Other receivables	16	12.05	12.05	596.32	596.32
4	Investment in subsidiary company	7	1.99	1.99	1.99	1.99

* There are no Financial Assets or Liabilities which fall under level 2 & 3.



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Financial Liabilities

Sl. No.	Particulars	Note	As at	
			31st March, 2019	31st March, 2018
1	Financial Liability Designated at Fair Value through Profit or Loss			
i)	Derivatives - not designated as hedging instruments		-	-
2	Financial Liability designated at Amortised Cost			
i)	Borrowings	20,21,25	35,673.50	31,525.97
ii)	Trade payables	26	19,043.08	20,196.06
iii)	Other financial liability	21	11,120.62	6,876.76

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 58 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	USD outstanding in terms of ₹ in Lakhs	
	31st March, 2019	31st March, 2018
Financial Assets		
Cash and cash equivalents	-	-
Trade receivables	140.20	148.26
Other financial assets (including loans)	-	-
Financial Liabilities		
Trade payables	9,006.55	13,016.65
Borrowings	10,100.56	13,936.64
Interest Accrued but not due	74.73	126.05
Net Assets / Liabilities	19,322.04	27,227.60



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

The following significant exchange rates have been applied:

(Currency in ₹)

Particulars	As at	
	31st March, 2019	31st March, 2018
USD	69.16	65.18
Euro	77.78	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

Particulars	2018-19		2017-18	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD Sensitivity	47.47	(47.47)	68.31	(68.31)

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

Particulars	Year ended	
	31st March, 2019	31st March, 2018
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	507.92	-
Net foreign exchange (gain)/ losses shown as Finance Cost	251.50	152.18
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives		
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	-	-
Total	759.42	152.18

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	
	31st March, 2019	31st March, 2018
Fixed Rate borrowings	-	-
Variable Rate borrowings	10,100.56	17,516.27
Total	10,100.56	17,516.27

Sensitivity on variable rate borrowings

Particulars	Impact on			
	Profit and Loss Account		Equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Interest rate increase by 0.25%	25.25	43.79	25.25	43.79
Interest rate decrease by 0.25%	(25.25)	(43.79)	(25.25)	(43.79)



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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 ₹ 16,262.66 Lakhs and ₹ 11,892.79 Lakhs as of March 31, 2019 and March 31, 2018, 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	
	31st March, 2019	31st March, 2018
Revenue from top customer	5.48%	6.41%
Revenue from top five customers	24.12%	26.40%

a Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 was ₹ 372.56 Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Balance at the beginning	397.75	102.62
Impairment loss reversed	25.19	30.43
Additional provision created during the year	-	325.56
Balance at end	372.56	397.75

b Aging analysis of Trade Receivables

Particulars	As at							
	31st March, 2019				31st March, 2018			
	Not due	Upto 6 months	6 - 12 months	Above 12 months	Not due	Upto 6 months	6 - 12 months	Above 12 months
Unsecured	14,046.62	1,892.20	40.28	283.56	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.



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2019

Particulars	Carrying amount	Less than 1 Year	1 - 5 Years	More than 5 Years	Total
Borrowings - Current	20,580.78	20,580.78	-	-	20,580.78
Borrowings - Non-current	15,092.72	-	11,627.11	3,465.61	15,092.72
Trade payables	19,043.08	19,043.08	-	-	19,043.08
Other financial liabilities - Current	7,684.06	7,684.06	-	-	7,684.06
Trade deposits	3,982.88	-	-	3,982.88	3,982.88
Interest accrued but not due on loans	74.73	74.73	-	-	74.73
Derivative financial instruments	-	-	-	-	-

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	10,497.29	10,497.29	-	-	10,497.29
Borrowings - Non-current	21,028.68	-	15,984.34	5,044.34	21,028.68
Trade payables	20,196.06	20,196.06	-	-	20,196.06
Other financial liabilities - current	4,240.70	4,240.70	-	-	4,240.70
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.

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Borrowings	35,673.50	31,525.97
Less: Cash and Cash Equivalents including bank balance	225.50	718.10
Less: Current Investments	22,189.09	-
Net Debt	13,258.91	30,807.87
Equity	1,10,351.81	83,900.71
Capital and Net Debt	1,23,610.72	1,14,708.58
Gearing Ratio {Net debt / Capital and net debt}	10.73%	26.86%



Notes on Standalone Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 59 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			
	31st March, 2019		31st March, 2018	
	FC in Mn	MTM in ₹ Lakhs	FC in Mn	MTM in ₹ Lakhs
US Dollar	0.375	(82.62)	0.375	(35.92)
	0.375	(82.62)	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			
	31st March, 2019		31st March, 2018	
	FC in Mn	MTM in ₹ Lakhs	FC in Mn	MTM in ₹ Lakhs
US Dollar*	24.01	16,911.29	32.78	21,365.75
Euro	0.27	211.25	0.03	24.13
JPY	-	-	0.93	571.03
SEK	5.82	450.84	14.26	1,155.73
CHF	0.54	375.23	-	-
	30.64	17,948.61	48.00	23,116.64

* Net of receivables - US Dollar 0.17 Million - ₹ 118.96 Lakhs (Previous Year USD 0.23 Mn - ₹ 148.26 Lakhs)

Note 60 CHANGE IN DEPRECIATION METHOD

The company had provided depreciation by following Straight Line Method ("SLM")/Written Down Value ("WDV") method for different class / category of Property, Plant & Equipment (PPE) upto 31st March, 2018. Effective from April 2018, the Company decided to follow WDV method of depreciation for all Plant & Machinery to reflect the appropriate pattern of usage and expected benefit of such assets. The company has also reviewed the useful life of Plant and Machineries and basis expert's opinion, revised the same for certain category of Plant & Machinery. These being change in estimate as per Ind AS - 8, effect of the same is to be taken prospectively and accordingly the effect for the same was considered w.e.f. 1st April 2018. Due to this change, the depreciation provision for the year ended 31.03.2019 is higher by ₹ 5,402.05 Lakhs as compared to earlier year.

Note 61 Previous year's figures have been regrouped and reclassified wherever necessary.

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

Sukhendra Lodha
Partner
M.No. 071272

Place: Mumbai
Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Rajendra Jain
Executive Director & CFO

Brajmohan Prasad
Company Secretary

Shashi Bangur
P. N. Kapadia
M. P. Taparia
Lt. Gen. (Retd.) Utpal Bhattacharya
Krishna Kumar Karwa
Amitav Kothari
Sudarshan Somani
Directors



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 Opticable Limited
1	Financial Year ended on	31st March, 2019
2	Reporting Currency	Indian Rupees
3	Share Capital	2.00
4	Reserve & Surplus / (Accumulated Losses)	(12.77)
5	Total Assets	1,428.98
6	Total Liabilities	1,428.98
7	Investments	-
8	Total Turnover	440.52
9	Profit / (Loss) before tax	16.81
10	Provision for Income Tax	28.72
11	Profit / (Loss) after tax	(11.91)
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, 2019
2	Shares of Associate held by the company on the year end	
	a. Number of Equity Shares	18,50,130
	b. Amount of investment in Associate *	-
	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	(179.79)
6	Loss for the year	(1.65)
	i) Considered in Consolidation	Nil
	ii) Not Considered in Consolidation	(1.65)

* Investment value is ₹ 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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Shashi Bangur

P. N. Kapadia

M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors



Independent Auditor's Report

To the members of

WEST COAST PAPER MILLS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of West Coast Paper Mills Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Change in useful life and depreciation method of certain machineries (Refer note no. 2 and Note no.60 of Financial Statement)	
<p>The Holding Company had been charging depreciation on different category of Plant & Machineries using a mix of Straight Line Method and Written Down Method. The Holding Company decided to follow WDV method of depreciation for all class / category of PPE to reflect the appropriate pattern of usage and expected benefit of such assets. The Holding Company also reviewed the useful life of Plant & Machinery and basis experts' opinion changed the useful life of assets.</p> <p>This is considered as key matter, as significant judgment / estimation is involved in assessing the method to be used for depreciating the assets and determining the useful life.</p>	<p>Procedure performed includes:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around maintenance of record of Property, Plant & Equipment and determination of depreciation method / useful life. • Understanding the rationales for the changes done in the method of depreciation and determination of revised useful life. • Verification of underlying working of depreciation amount basis the revision in method / life. • Documenting the certificate obtained from independent chartered engineer assessing the useful life of assets.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management 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 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.



Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing
- Our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements (before eliminating intercompany balances) reflects total assets of Rs. 1428.98 lakhs and liabilities of Rs. 1439.74 lakh as at 31 March 2019, total revenues (before eliminating intercompany transactions) of Rs. 444.46 lakhs and net cash generation amounting to Rs. 434.98 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on



Independent Auditor's Report (Contd.)

the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary 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 purpose 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 and the reports of the other auditors;
- c. the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e. As required by Section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in Other Matter paragraph, on separate financial statements of the subsidiary, we report that the Holding Company and Subsidiary Company paid remuneration to their respective directors during the year in accordance with the provisions of Section 197 of the Act.
- f. On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its subsidiary company, none of the directors of the Group companies, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting ("IFCoFR") of the Holding Company, and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- h. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements as also the other financial information of the subsidiary:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, 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 Holding Company, and its subsidiary during the year ended 31 March 2019;

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

Sukhendra Lodha
Partner

Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Annexure A

to the independent auditor's report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ("the Holding Company") and subsidiary company which are 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 Company, 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 respective company's 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 respective 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 Holding Company and Subsidiary 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 and the audit obtained by the other auditor in terms of their report referred to in other matters referred below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and Subsidiary 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.



Annexure A

to the independent auditor's report (Contd.)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and based on the consideration of the report of the other auditor on internal financial controls over financial reporting of the subsidiary company which is a company covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company as aforesaid, 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.

Other Matters

We did not audit the internal financial controls over financial reporting in so far as it relates to subsidiary company, which is a company covered under the Act. The internal financial controls over financial reporting in so far as it relates to such subsidiary company which has been audited by other auditor whose report have been furnished to us by the management. Our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting for the Holding Company, its Subsidiary Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and report of the other auditors.

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

Sukhendra Lodha
Partner
Membership Number: 071272

Date : 29th May, 2019
Place : Mumbai



Consolidated Balance Sheet

as at 31st March 2019

(₹ in Lakhs)

	Note	As at	
		31st March, 2019	31st March, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	99,037.65	1,03,319.22
Capital work-in-progress	3	3,704.93	338.82
Investment properties	4	-	-
Intangible assets	5	88.68	208.63
Biological assets other than bearer plants	6	997.45	1,661.40
Financial Assets:			
i. Investments	7	74.60	100.41
ii. Other financial assets	8	198.66	180.76
Other non-current assets	9	686.22	1,259.23
Current tax assets (net)	10	1,653.06	1,420.21
Deferred tax assets (net)	11	1,297.90	-
Total Non-Current Assets		1,07,739.15	1,08,488.68
Current Assets			
Inventories	12	42,827.47	34,289.29
Biological assets other than bearer plants	6	149.49	137.64
Financial Assets :			
i) Investments	7	22,189.09	-
ii) Trade receivables	13	16,327.43	11,892.79
iii) Cash and cash equivalents	14	691.73	751.84
iv) Other bank balances	15	324.11	256.35
v) Other financial assets	8	195.46	354.33
Other current assets	16	1,535.62	2,691.76
Assets classified as held for sale	17	6.59	186.89
Total Current Assets		84,246.99	50,560.88
Total Assets		1,91,986.14	1,59,049.56
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,320.98	1,320.98
Non Controlling Interest		0.01	0.01
Other equity	19	1,09,018.52	82,572.51
Total Equity		1,10,339.51	83,893.50
Liabilities			
Non-current liabilities			
Financial Liabilities :			
i) Borrowings	20	15,430.22	21,028.68
ii) Other financial liabilities	21	7,709.16	7,487.08
Provisions	22	376.30	370.68
Deferred tax liabilities (net)	23	-	1,415.40
Other Non-Current Liabilities	24	6,833.56	6,471.30
Total Non-Current Liabilities		30,349.24	36,773.14
Current Liabilities			
Financial Liabilities :			
i) Borrowings	25	15,867.98	4,419.31
ii) Trade payables	26	18,992.40	20,196.06
iii) Other financial liabilities	21	12,584.50	10,444.74
Provisions	22	553.12	616.59
Other current liabilities	27	3,299.39	2,706.22
Total Current Liabilities		51,297.39	38,382.92
Total Equity and Liabilities		1,91,986.14	1,59,049.56

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Shashi Bangur**P. N. Kapadia****M. P. Taparia****Lt. Gen. (Retd.) Utpal Bhattacharya****Krishna Kumar Karwa****Amitav Kothari****Sudarshan Somani**

Directors

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary



Consolidated Statement of Profit & Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

	Note	For the year ended	
		31st March, 2019	31st March, 2018
Revenue from operations	28	1,97,719.02	1,73,199.62
Revenue from trading operations	29	215.18	192.41
Other Income	30	1,954.14	1,822.87
Total Income		1,99,888.34	1,75,214.90
Expenses			
Cost of materials consumed	31	1,00,314.44	90,265.15
Purchases of stock in trade	32	183.24	119.29
Excise duty on sale of goods	33	-	2,372.11
Changes in inventories of finished goods & work in progress	34	(2,263.17)	650.57
Employee benefits expense	35	13,905.59	12,326.10
Finance costs	36	2,897.61	4,165.40
Depreciation and amortization expense	37	17,602.20	11,622.45
Other expenses	38	34,683.07	31,445.44
Total Expenses		1,67,322.98	1,52,966.51
Profit before exceptional items and tax		32,565.36	22,248.39
Share of Profit / (Loss) of Associates (Refer note 56)		-	-
Profit before tax		32,565.36	22,248.39
Income tax expense	39		
Current tax		6,803.22	4,550.72
MAT credit entitlement		(2,131.85)	(4,550.72)
Deferred tax		(1,706.50)	(66.99)
Total tax expenses		2,964.87	(66.99)
Profit/ (loss) for the period from continuing operations		29,600.49	22,315.38
Other Comprehensive Income	19		
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss			
Remeasurement of employees benefit obligations		32.27	(70.49)
Income Tax relating to Items that will not be reclassified to Profit or Loss		(6.95)	15.04
Other Comprehensive Income for the period (net of tax)		25.32	(55.45)
Total Comprehensive Income for the year		29,625.81	22,259.93
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (in ₹)		44.82	33.79
Diluted Earning per share (in ₹)		44.82	33.79

Significant Accounting Policies

1

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

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Chairman & Managing Director

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M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors



Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	32,565.36	22,248.39
Adjustments for		
Depreciation and amortisation	17,602.20	11,622.45
Loss / (Gain) on disposal of property, plant and equipment	497.33	(261.23)
Loss / (Gain) on sale of investments	-	(1.80)
Dividend and interest income classified as investing cash flows	(703.73)	(47.20)
Rent receipt	(74.80)	(5.25)
Finance costs	2,646.11	4,084.54
Government grant income	(621.05)	(621.05)
Provision for doubtful debts	-	325.56
Bad debts / assets written off	56.19	98.74
Net exchange differences	251.50	152.19
Fair Value adjustment in Investment	(163.28)	(17.68)
Liabilities & Provisions written back	(138.51)	(172.36)
Total	19,351.96	15,156.91
Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary		
(Increase) / Decrease in trade receivables	(4,434.64)	548.79
(Increase) / Decrease in inventories	(7,886.08)	(6,022.14)
Increase / (Decrease) in trade liabilities	(1,203.66)	5,585.67
(Increase) / Decrease in other financial assets	17.90	26.41
(Increase) / Decrease in other non-current assets	284.49	655.75
(Increase) / Decrease in other current assets	1,315.01	1,310.68
Increase / (Decrease) in provisions	80.66	(1,068.00)
Increase / (Decrease) in other financial liabilities	4,235.59	(981.04)
Increase / (Decrease) in Non-current liabilities	955.43	343.61
Total	(6,635.30)	399.73
Cash generated from operations	45,282.03	37,805.03
Less: Income Tax paid	5,940.71	5,182.04
Net cash flow from operating activities	39,341.32	32,622.99
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(17,036.26)	(14,906.59)
Purchase of intangible assets	(27.85)	(7.47)
Investment in subsidiary	-	-
Proceeds from sale of investments	-	1.80
Proceeds from sale of property, plant and equipments	180.30	309.60
Rent received	74.80	5.25
Interest received	703.73	47.20
Bank deposits	(67.76)	684.43
Loan to subsidiary	-	-
Investment in mutual fund	(22,000.00)	-
Net cash flow from investing activities	(38,173.04)	(13,865.78)



Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	450.00	9,335.69
Repayments of Long Term Borrowings	(7,922.21)	(18,710.64)
Proceeds / (Repayment) of Short Term Borrowings (net)	11,448.70	(3,945.60)
Proceeds from issue of shares	-	0.01
Interest and finance charges	(2,025.06)	(4,084.54)
Dividends paid to company's shareholders	(2,641.96)	(1,651.22)
Tax on equity dividend	(537.84)	(336.15)
Net cash inflow / (outflow) from financing activities	(1,228.37)	(19,392.45)
Net Increase / (Decrease) in cash and cash equivalents	(60.11)	(635.25)
Net increase or decrease in cash and cash equivalents during the year	(60.11)	(635.25)
Cash and cash equivalents at the beginning of the financial year	751.84	1,387.09
Cash and cash equivalents at the end of the financial year	691.73	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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Shashi Bangur

P. N. Kapadia

M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors



Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

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

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 2018	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
For the year ended 31st March 2019	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		
Opening as on 1st April 2017	14,572.54	5,187.94	6,500.00	277.50	36,934.35	(878.92)	62,593.41
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 Distribution Tax)	-	(1,987.37)	-	-	-	-	(1,987.37)
Balance as on 31st March 2018	14,572.54	25,222.48	6,500.00	277.50	36,934.35	(934.37)	82,572.51
Opening as on 1st April 2018	14,572.54	25,222.48	6,500.00	277.50	36,934.35	(934.37)	82,572.51
Profit for the year	-	29,600.49	-	-	-	-	29,600.49
Impact due to Fair Value adjustment of Government Grant	-	-	-	-	-	-	-
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	25.32	25.32
Dividends paid (including Dividend Distribution Tax)	-	(3,179.80)	-	-	-	-	(3,179.80)
Balance as on 31st March 2019	14,572.54	51,643.16	6,500.00	277.50	36,934.35	(909.05)	1,09,018.52

The Board of Directors of the Company recommended a Dividend of ₹ 5.00 per share (for the year ended 31st March 2018, ₹ 4.00 per share) to 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 ₹ 3,302.45 lakhs (for the year ended 31st March 2018, ₹ 2,641.96 lakhs). Income Tax on proposed dividend being ₹ 678.82 lakhs (for the year ended 31st March 2018, ₹ 537.84 lakhs).

- 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 created in relation to debenture issuance 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, 2013.
- Other Comprehensive Income** : Other Comprehensive Income is created in compliance with Ind AS notified under the companies (India Accounting Standard) Rule 2015, as amended.

As per our Report of even date

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha
Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur
Chairman & Managing Director

Rajendra Jain
Executive Director & CFO

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Shashi Bangur
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Lt. Gen. (Retd.) Utpal Bhattacharya
Krishna Kumar Karwa
Amitav Kothari
Sudarshan Somani
Directors



Notes on Consolidated Financial Statements

for the year ended 31st March, 2019

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

I. The Company Overview:

West Coast Paper Mills 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 29, 2019.

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.



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

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 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 (Years)	Method
1.	Plant and Machinery* - Paper machines	20	WDV
2.	Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant	20	WDV
3.	Roads & Drainage*	20	WDV



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

Sr. No.	Particulars	Useful Life (Years)	Method
4.	OFC Plant & Machinery*	20	WDV
5.	OFC Plant & Machinery* (Subsidiary)	15	WDV
6.	JFTC Plant & Machinery*	20	WDV
7.	Coal Handling Plant*	20	WDV
8.	Factory Buildings	30	WDV
9.	Non Factory Buildings	60	WDV
10.	Office Equipments	5	WDV
11.	Computers & Computer Software	3	WDV
12.	Motor Vehicles	8	WDV
13.	Intangible Assets	3	WDV

*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 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), taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

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



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

During the year Company adopted Ind AS - 115 Revenue from Contract with Customer. There was no significant impact on the Company due to adoption of revised Ind AS.

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/ (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



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

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 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,



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

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 be adjusted in future.

Minimum Alternate Tax (MAT) 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



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

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:

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee

Benefits', in connection with accounting for plan amendments, curtailments and settlement.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

IND AS 109 Financial Instruments:

The amendment enables entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.

IND AS 23 Borrowing Cost:

This amendment clarifies the borrowings cost to be considered for capitalisation. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is evaluating the requirements of the amendments and the impact on the financial statements. The effect on adoption of Ind AS is expected to be insignificant.



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

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 PPE & 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.)

as at 31st March, 2019

(₹ 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
	Gross carrying value as at 1st Apr 2017	61.61	156.11	21,353.57	1,92,041.78	429.17	1,217.02	2,15,259.26
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	-	-	-	(292.25)	-	(45.13)	(337.38)
	Gross carrying value as at 31st Mar 2018	61.61	162.04	21,980.18	2,05,602.36	484.87	1,265.50	2,29,556.56
	Accumulated Depreciation as at 1st Apr 2017	-	-	11,698.82	1,02,526.36	254.80	984.54	1,15,464.52
1	Depreciation	-	-	862.45	10,558.89	20.65	90.15	11,532.14
2	Assets held for sale	-	-	-	(467.75)	-	(1.13)	(468.88)
3	Effect on foreign currency	-	-	-	-	-	-	-
4	Eliminated on disposal of asset	-	-	-	(248.24)	-	(42.20)	(290.44)
	Accumulated Depreciation as at 31st March 2018	-	-	12,561.27	1,12,369.26	275.45	1,031.36	1,26,237.34
	Net carrying value as at 31st March 2018	61.61	162.04	9,418.91	93,233.10	209.42	234.14	1,03,319.22
	Gross carrying value as at 1st Apr 2018	61.61	162.04	21,980.18	2,05,602.36	484.87	1,265.50	2,29,556.56
1	Additions	-	-	465.52	12,565.19	120.83	214.85	13,366.39
2	Reclassified as held for sale	-	-	-	(57.06)	-	-	(57.06)
3	Effect of foreign exchange (gain) / loss	-	-	-	303.77	-	-	303.77
4	Deletions	-	-	-	(2,692.43)	-	-	(2,692.43)
	Gross carrying value as at 31st Mar 2019	61.61	162.04	22,445.70	2,15,721.83	605.70	1,480.35	2,40,477.23
	Accumulated Depreciation as at 1st Apr 2018	-	-	12,561.27	1,12,369.26	275.45	1,031.36	1,26,237.34
1	Depreciation	-	-	911.05	16,332.40	51.15	159.80	17,454.40
2	Assets held for sale	-	-	-	(50.47)	-	-	(50.47)
3	Effect on foreign currency	-	-	-	-	-	-	-
4	Eliminated on disposal of asset	-	-	-	(2,201.69)	-	-	(2,201.69)
	Accumulated Depreciation as at 31st March 2019	-	-	13,472.32	1,26,449.50	326.60	1,191.16	1,41,439.58
	Net carrying value as at 31st March 2019	61.61	162.04	8,973.38	89,272.33	279.10	289.19	99,037.65

- Buildings are constructed on leasehold land for which company pays only ground rent except non-factory buildings worth ₹ 62.49 Lakhs (Previous Year ₹ 62.49 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 loss amounting to ₹ 303.77 Lakhs (Previous year ₹ (18.70) 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 capitalised till 31.03.2019 is ₹ 686.97 Lakhs. Other borrowing cost capitalised during the year is Rs. 2.95 Lakhs (Previous Year ₹ 77.48 Lakhs).



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 3 CAPITAL WORK-IN-PROGRESS		
Opening Balance	338.82	601.42
Add: Additions during the year	15,911.84	14,705.06
	16,250.66	15,306.48
Less: Capitalised during the year	12,545.73	14,967.66
Closing Balance	3,704.93	338.82

Note 4 INVESTMENT PROPERTIES		
Cost	-	14.34
Additions	-	-
Deletion\Disposal	-	14.34
Closing gross carrying value	-	-
Accumulated depreciation	-	10.48
Depreciation for the year	-	0.14
Deletion\Disposal	-	(10.62)
Closing accumulated depreciation	-	-
Net carrying value of investment properties	-	-
Amount recognized in profit or loss from investment properties		
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	-	-
Profit from investment properties before depreciation	-	281.59
Depreciation	-	0.14
Profit from investment properties	-	281.45
Fair value of the investment properties	-	-

Note 5 INTANGIBLE ASSETS		
Computer Software		
Cost	616.43	608.96
Additions	27.85	7.47
Deletions	-	-
Closing gross value	644.28	616.43
Accumulated amortization	407.80	317.63
Amortization expense	147.80	90.17
Closing accumulated amortization	555.60	407.80
Net carrying value of intangible assets	88.68	208.63



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 6 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
Opening balance	1,799.04	2,469.75
Expenses during the year	125.59	187.21
Consumption during the year	(777.69)	(857.92)
Closing balance	1,146.94	1,799.04
Reconciliation		
Non-current assets		
Immature crops	997.45	1,661.40
Total non-current assets	997.45	1,661.40
Current assets		
Matured crops	149.49	137.64
Total current assets	149.49	137.64
Total biological assets other than bearer plants	1,146.94	1,799.04
Note 7 INVESTMENTS		
Non Current		
Investment in Associates		
Unquoted (at cost)		
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 : 22,16,680) of ₹ 10 each of Fort Gloster Industries Limited (associate upto 19th March 2018)	-	-
Total Investment in associates	-	-
Others		
Quoted (at fair value)		
5,42,399 Equity Shares (Previous Year : 5,42,399) of ₹ 10 each of Jayashree Chemicals Ltd	39.22	65.03
Less : Provision for Diminution in value of investments	-	-
Unquoted (at cost)		
20,943 Equity Shares (Previous Year : 20,943) of ₹10 each of Kilkotagiri and Thirumbadi Plantations Ltd.,	35.27	35.27
37 Equity Shares (Previous Year : 37) of ₹ 100 each of Placid Limited	0.01	0.01
Total Investment in others	74.50	100.31
Investments in Government Securities		
6 Year National Savings Certificate	0.10	0.10
Total Investment in Government Securities	0.10	0.10
Total of Non-current Investments	74.60	100.41



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Current		
Unquoted		
Investments in Mutual Funds (at fair value through P&L)		
Axis Bank Liquid Fund - Direct Growth - 2,91,891 Units of ₹ 10 each (NAV : ₹ 2,073.52)(Previous Year : NIL)	6,052.42	-
HDFC Liquid Fund - Direct Growth - 1,09,699 Units of ₹ 10 each (NAV : ₹ 3,678.29) (Previous Year : NIL)	4,035.04	-
ICICI Prudential Liquid Fund - 21,89,369 units of ₹ 10 each (NAV : ₹ 276.42)(Previous Year : Nil)	6,051.78	-
Kotak Liquid Direct Plan - Growth Fund - 1,59,866 Units of ₹ 10 each (NAV : ₹ 3,784.33) (Previous Year : Nil)	6,049.85	-
	22,189.09	-
Total of Current and Non-current Investments	22,263.69	100.41
Aggregate cost of quoted investments	94.96	94.96
Aggregate market value of quoted investments	39.22	65.03
Aggregate amount of unquoted investments	22,035.27	35.27
Aggregate provision for diminution in value of investment	55.74	29.93

Note 8 OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)

Non-current		
a) Security deposit	198.66	180.76
Total non-current Other Financial Assets	198.66	180.76
Current		
a) Security deposit	145.30	311.05
b) Other loans	50.16	43.28
Total current Other Financial Assets	195.46	354.33
Total of Other Financial Assets	394.12	535.09

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

Note 9 OTHER NON-CURRENT ASSETS

Capital advances	636.22	1,209.23
Deposit with customs	50.00	50.00
Total other non-current assets	686.22	1,259.23

Note 10 INCOME TAX ASSETS (NET)

Advance tax / Tax paid at source (net of provision)* (Refer Note No. 40(1)(b))	1,653.06	1,420.21
Total of Income Tax Assets (NET)	1,653.06	1,420.21

* Provision for tax ₹ 6,803.22 Lakhs and Advance Tax ₹ 6,800.00 Lakhs is pertaining to current year.



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 11 DEFERRED TAX ASSETS (NET)		
Deferred tax liabilities on account of WDV of fixed assets	(13,876.10)	-
	(13,876.10)	-
Deferred tax assets on account of:		
Carried forward of unabsorbed depreciation	-	-
Disallowances under section 43B of Income Tax Act	(493.84)	-
Long term capital loss carried forward	-	-
Adjustments to Ind AS	(1,420.96)	-
Tax Holiday period	(99.23)	-
Provision for doubtful debts	(130.19)	-
Total deferred tax liabilities	(2,144.22)	-
Total Deferred Tax Liabilities	(11,731.88)	-
MAT Credit Entitlement	13,029.78	-
Total Deferred Tax Assets (Net)	1,297.90	-

Note 12 INVENTORIES		
Raw Materials (at weighted average cost)*	19,998.11	19,063.61
Work in progress (at cost)	539.03	223.91
Finished goods (at lower of cost or net realisable value)	3,492.66	1,544.60
Stores and spares (at weighted average cost)#	18,313.95	13,157.34
Loose tools (at cost)	291.55	242.34
Stock at scrap (at realizable value)	192.17	57.49
Total inventories	42,827.47	34,289.29

* includes Raw Material in transit of ₹ 1224.36 Lakhs (Previous Year : ₹ 221.93 Lakhs).

includes Stores and Spares in transit of ₹ 155.96 Lakhs (Previous Year : ₹ Nil).

Note 13 TRADE RECEIVABLES (Unsecured considered good unless otherwise stated)		
Current		
Unsecured considered good	16,327.43	11,892.79
Considered doubtful	372.56	397.75
	16,699.99	12,290.54
Less: Allowances for credit losses	372.56	397.75
Total trade receivables	16,327.43	11,892.79

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

Note 14 CASH AND CASH EQUIVALENTS		
Balance with banks		
In Current account	685.85	741.06
Cash on hand	5.88	10.78
Total Cash and Cash Equivalents	691.73	751.84

Note 15 OTHER BANK BALANCES		
In unpaid dividend accounts	68.13	50.92
In margin money deposits against guarantee	240.85	196.18
In deposit accounts*	15.13	9.25
	324.11	256.35

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

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

	As at	
	31st March, 2019	31st March, 2018
Note 16 OTHER CURRENT ASSETS		
Advances other than capital advances		
a) Payment to vendors for supply of goods & services	1,031.00	1,655.42
Others		
a) Prepaid expenses	192.07	243.78
b) Other assets	193.87	194.30
c) Balances with Government authorities	118.68	598.26
Total Other Current Assets	1,535.62	2,691.76
Note 17 ASSETS CLASSIFIED AS HELD FOR SALE		
DG Set	-	127.83
JFTC Plant	6.59	59.06
Total Assets classified as held for sale	6.59	186.89

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.

Note 18 EQUITY SHARE CAPITAL		
Authorized		
15,00,00,000 (Previous Year : 15,00,00,000) Equity Shares of ₹ 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
Total	9,500.00	9,500.00
Issued, Subscribed and Paid-Up		
6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares of ₹ 2/- each fully paid up	1,320.98	1,320.98
Total Equity share capital	1,320.98	1,320.98

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	₹ in Lakhs
As at 1st April 2016	1,320.98
Shares issued during the year	-
Shares bought back during the year	-
Redemption of shares	-
As at 31st March 2017	1,320.98
Shares issued during the year	-
Shares bought back during the year	-
Redemption of shares	-
As at 31st March 2018	1,320.98

Details of shareholders holding more than 5% shares

Name of shareholders	As at			
	31st March, 2019		31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Veer Enterprises Ltd.	1,06,29,054	16.09	1,05,38,054	15.95
Shree Satyanarayan Investments Co. Ltd.	1,03,62,973	15.69	1,03,12,973	15.61
Reliance Capital Trustee Co. Ltd., A/c Reliance Small cap fund	42,38,015	6.42	40,52,175	6.14



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

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

Note 19 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
For the year ended 31st March 2018	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
For the year ended 31st March 2019	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		
Opening as on 1st April 2017	14,572.54	5,187.94	6,500.00	277.50	36,934.35	(878.92)	62,593.41
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 Distribution Tax)	-	(1,987.37)	-	-	-	-	(1,987.37)
Balance as on 31st March 2018	14,572.54	25,222.48	6,500.00	277.50	36,934.35	(934.37)	82,572.51
Opening as on 1st April 2018	14,572.54	25,222.48	6,500.00	277.50	36,934.35	(934.37)	82,572.51
Profit for the year	-	29,600.49	-	-	-	-	29,600.49
Impact due to Fair Value adjustment of Government Grant	-	-	-	-	-	-	-
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	25.32	25.32
Dividends paid (including Dividend Distribution Tax)	-	(3,179.80)	-	-	-	-	(3,179.80)
Balance as on 31st March 2019	14,572.54	51,643.16	6,500.00	277.50	36,934.35	(909.05)	1,09,018.52

The Board of Directors of the Company recommended a Dividend of ₹ 5.00 per share (for the year ended 31st March 2018, ₹ 4.00 per share) to 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 ₹ 3,302.45 lakhs (for the year ended 31st March 2018, ₹ 2,641.96 lakhs). Income Tax on proposed dividend being ₹ 678.82 lakhs (for the year ended 31st March 2018, ₹ 537.84 lakhs).

- 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 created in relation to debenture issuance 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, 2013.
- Other Comprehensive Income** : Other Comprehensive Income is created in compliance with Ind AS notified under the companies (India Accounting Standard) Rule 2015 , as amended.



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

Note 20	NON CURRENT BORROWINGS	As at	
		31st March, 2019	31st March, 2018
	Non-current Borrowings		
	Secured at amortized cost		
	a) <u>Term Loans from banks</u>		
	Axis Bank Limited	-	3,600.00
	Less: Unamortised value of transaction cost	-	20.38
	Subtotal A	-	3,579.62
	Standard Chartered Bank-ECB LOAN	8,516.69	9,416.30
	Less: Unamortised value of transaction cost	43.43	80.61
	Subtotal B	8,473.26	9,335.69
	Yes Bank Ltd.	450.00	-
	Less: Unamortised value of transaction cost	-	-
	Subtotal C	450.00	-
	b) <u>Term Loans from Financial Institutions:</u>		
	International Finance Corporation [IFC, Washington, DC]	1,627.30	4,600.95
	Subtotal D	1,627.30	4,600.95
	Total term loans [A+B+C+D]	10,550.56	17,516.26
	Less: Current maturities of Long Term Borrowings	4,159.86	5,472.26
	Total Non-current Term Loans	6,390.70	12,044.00
	Unsecured at amortized cost		
	Other loans		
	i) From Others		
	Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka	9,210.83	9,195.51
	Add: Fair value adjustment due to Ind AS adoption	494.12	394.90
	Less: Current maturity of Long Term Borrowings	665.43	605.73
	Total other loans	9,039.52	8,984.68
	Total non-current borrowings	15,430.22	21,028.68

Nature of security

- 1 Loan from Axis Bank Limited 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 Limited.
- 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 Term loan from Yes Bank Limited is secured by way of exclusive charge on present, future, movable & immovable assets of the Company.
- 5 Interest free loan under Sales Tax Deferral Scheme is being repaid in 12 yearly installments starting from June 2014.
- 6 There is no default in repayment of loans and interest.



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

Terms of repayment of term loan and other loans

As at March 31, 2019

Particulars	Amount Outstanding	Rate of Interest (%)	Period	Terms of Repayment
Term Loans				
IFC, Washington	-	4.37%	June - 07 to July - 19	Six monthly installments
Axis Bank Limited	-	-	Aug - 17 to Apr - 21	Prepaid in May 2018
Standard Chartered Bank - ECB Loan	6,053.20	4.38%	Jul - 17 to Aug - 22	Quarterly installments
YES Bank Limited	337.50	9.70%	Mar - 19 to Mar 24	Monthly installments
Interest free - Sales tax Loan	9,039.52	-	Jun - 14 to Jun - 25	Yearly installments
Total term loan	15,430.22			

As at March 31, 2018

Particulars	Amount Outstanding	Rate of Interest (%)	Period	Terms of Repayment
Term Loans				
IFC, Washington	1,533.66	3.74%	June - 07 to July - 19	Six monthly installments
Axis Bank Limited	2,384.60	9.25%	Aug - 17 to Apr - 21	Monthly installments
Standard Chartered Bank - ECB Loan	8,125.74	3.63%	Jul - 17 to Aug - 22	Quarterly installments
Interest free - Sales tax Loan	8,984.68	-	Jun - 14 to Jun - 25	Yearly installments
Total term loan	21,028.68			

	As at	
	31st March, 2019	31st March, 2018
Note 21 OTHER FINANCIAL LIABILITIES		
Non-current		
Others-		
Dealer Deposits	3,982.87	3,131.06
Employee Security Deposits	-	8.68
Deferred Government Grant	3,726.29	4,347.34
Total non-current other financial liabilities	7,709.16	7,487.08
Current		
Current maturities of long term debts	4,825.30	6,077.99
Current maturities of Deferred Government Grant	621.05	621.05
Interest accrued but not due on borrowings	75.00	126.05
Unpaid dividend	68.13	50.92
Other financial liabilities	6,995.02	3,568.73
Total current other financial liabilities	12,584.50	10,444.74
Total other financial liabilities	20,293.66	17,931.82

Note 22 PROVISIONS		
Non-current		
Provision for Employee benefit	376.30	370.68
Total non-current provisions	376.30	370.68
Current		
Provision for Employee benefit	553.12	616.59
Total current provisions	553.12	616.59



Notes on Consolidated Financial Statements (Contd.)

as at 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 23 DEFERRED TAX LIABILITIES		
Deferred tax liabilities on account of WDV of fixed assets	-	15,496.37
	-	15,496.37
Deferred tax assets on account of:		
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
Deferred tax liabilities	-	13,438.38
Less: MAT credit entitlement	-	(12,022.98)
Total deferred tax liabilities (Net)	-	1,415.40
Note 24 OTHER NON-CURRENT LIABILITIES		
Decommissioning & Dismantling liability	6,833.56	6,471.30
Total other non-current liabilities	6,833.56	6,471.30
Reconciliation		
Opening Balance	6,471.30	6,127.69
Unwinding of discounts and effect of change in discount rate	362.26	343.61
Reduction arising from payments	-	-
Closing balance	6,833.56	6,471.30
Note 25 CURRENT BORROWINGS		
Current		
Secured		
Loan repayable on demand from banks*	15,867.98	4,419.31
Total current borrowings	15,867.98	4,419.31
* 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.		
Note 26 TRADE PAYABLES		
Trade Payables		
Others		
Other payables	18,983.75	20,192.77
MSME		
Other payables	8.65	3.29
Total trade payables	18,992.40	20,196.06
Note 27 OTHER CURRENT LIABILITIES		
Statutory liabilities	706.09	523.45
Other liabilities	2,593.30	2,182.77
Total other current liabilities	3,299.39	2,706.22



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

		As at	
		31st March, 2019	31st March, 2018
Note 28	REVENUE FROM OPERATIONS		
	Sales of Products		
	Paper and Board	1,85,140.17	1,64,619.98
	Cables	11,675.92	7,588.74
	Wind Power	18.66	13.04
	Other Operating Revenues		
	Export Promotion Incentive	103.64	127.58
	Scrap Sales	780.63	850.28
	Job work	-	-
	Total revenue from operations	1,97,719.02	1,73,199.62
Note 29	REVENUE FROM TRADING OPERATIONS		
	Revenue from trading operations	215.18	192.41
	Total Revenue from trading operations	215.18	192.41
Note 30	OTHER INCOME		
	Interest Income		
	From Banks	20.67	35.28
	From Others	683.06	11.91
	Other Non - Operating Income		
	Profit on sale of Property, Plant & Equipment / Investment Property	84.26	283.22
	Rent received	74.80	74.80
	Income from government grant	621.05	621.05
	Profit on sale of Investment	-	1.80
	Liabilities and provisions written back	138.51	172.37
	Sundry balances written back	-	496.46
	Fair Value gain on mutual fund investment	189.09	-
	Others	142.70	125.98
	Total other income	1,954.14	1,822.87
Note 31	COST OF MATERIALS CONSUMED		
	Pulp Wood, Pulp & Waste Paper	59,878.88	60,112.60
	Fibre, PBT and HDPE	8,327.75	4,519.14
	Chemicals & Dyes	26,449.22	20,787.24
	Packing Materials	5,658.59	4,846.17
	Total cost of materials consumed	1,00,314.44	90,265.15
Note 32	PURCHASES OF STOCK IN TRADE		
	Purchase of trading goods	183.24	119.29
	Total purchases of stock in trade	183.24	119.29
Note 33	EXCISE DUTY ON SALE OF GOODS		
	Excise duty on sale of goods (Refer Note No. 51)	-	2,372.11
	Total excise duty on sale of goods	-	2,372.11



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at			
	31st March, 2019		31st March, 2018	
Note 34 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS				
Opening Stock of Finished Goods				
- Paper and Board	1389.24		1,865.74	
- O. F. C. Cables, etc.	155.36	1,544.60	198.62	2,064.36
Closing Stock of Finished Goods				
- Paper and Board	3,111.36		1,389.24	
- O. F. C. Cables, etc.	381.30	3,492.66	155.36	1,544.60
		(1,948.06)		519.76
Opening Stock of Work-in-progress	223.92		470.73	
Closing Stock of Work-in-progress	539.03	(315.11)	223.92	246.81
		(315.11)		246.81
Variation in Excise Duty on Opening and Closing Stock of Finished Goods		-		(115.99)
Total change in inventory of Finished Goods & WIP		(2,263.17)		650.58
	As at			
	31st March, 2019		31st March, 2018	
Note 35 EMPLOYEE BENEFITS EXPENSE				
Salaries, Wages and Bonus	11,641.20		10,330.93	
Provident & Family Pension Funds	797.62		750.02	
Employees State Insurance	99.36		111.30	
Gratuity Fund	155.67		153.39	
Superannuation Fund	37.90		37.48	
Employees Group Insurance	20.23		20.47	
Leave Encashment	63.30		98.22	
Staff Welfare Expense	1,090.31		824.29	
Total employee benefits expense	13,905.59		12,326.10	
Note 36 FINANCE COSTS				
Interest Expense:				
Term Loans	755.91		1,521.37	
Others	964.89		1,316.37	
Interest cost on Sales Tax Loan	720.27		722.48	
Other Borrowing Costs	205.04		524.32	
Applicable Net Loss (Gain) on Foreign Currency Transactions & Translation	251.50		80.86	
Total Finance costs	2,897.61		4,165.40	
Note 37 DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation on Property, Plant and Equipment	17,456.74		11,532.14	
Depreciation on Investment Properties	-		0.14	
Amortisation of Intangible Assets	145.46		90.17	
Total Depreciation and Amortisation	17,602.20		11,622.45	



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at			
	31st March, 2019		31st March, 2018	
Note 38 OTHER EXPENSES				
Consumption of Stores & Spare Parts		5,965.04		5,587.27
Power, coal and water		18,014.20		16,852.54
Rent		243.39		221.41
Repair and maintenance of Buildings		1,501.00		1,254.69
Repair and maintenance of Plant and Machinery		1,651.26		1,801.68
Repair and maintenance of Other Assets		308.22		340.55
Insurance		199.33		204.24
Rates & Taxes		59.34		88.57
Research & Development Expenses		47.16		55.00
Miscellaneous Expenses		1,783.73		1,409.49
Payment to Auditors				
As Auditors	21.40		15.00	
For limited review under listing agreement	3.75		2.00	
For Taxation Matters	5.00		5.00	
For Other Services	-		0.18	
Reimbursement of Expenses	4.56	34.71	4.82	27.00
Cost Auditor's Remuneration & Expenses		1.35		1.35
Foreign exchange variation		515.13		71.32
Forwarding Charges on Sales		1,001.10		946.39
Commission on Sales		1,125.43		1,022.01
Bad Debts		56.19		9.57
Provision for doubtful debts		-		315.99
Commission to Director		1,457.13		954.61
Directors' Fees & Expenses				
Sitting Fees	7.95		3.90	
Travelling Expenses	16.47	24.42	14.60	18.50
Charity & Donations		35.32		34.02
Corporate Social Responsibility Expenses		177.37		112.83
Swatch Bharath Cess		-		54.60
ITC Non Recoverable		-		-
Obsolete assets written off / discarded		482.24		39.82
Loss on Sale of Property, Plant & Equipment		0.01		21.99
Total Other Expenses		34,683.07		31,445.44



Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at	
	31st March, 2019	31st March, 2018
Note 39 INCOME TAX EXPENSE		
Current Tax Expense		
Current Tax on profits for the year	6,803.22	4,550.72
Mat Credit Entitlement for the year	(875.75)	(4,550.72)
Mat Credit Entitlement for earlier years	(1,256.10)	-
Total Current Tax Expense	4,671.37	-
Deferred Tax		
Decrease / (Increase) in deferred tax assets		
Property, Plant and Equipments	(1,618.40)	(232.35)
(Decrease) / Increase in deferred tax liabilities		
Disallowance under section 43B	(46.00)	(18.23)
ASI - 3 tax holiday claim	258.06	297.49
Carry Forward Losses	-	-
Adjustments to Ind AS	(168.10)	(113.90)
Long term Capital Loss	-	-
on account of foreign exchange differences	(1.87)	-
Provision for Doubtful debts	(130.19)	-
Total Deferred Tax Expense / (Benefit)	(1,706.50)	(66.99)
Total Income Tax Expense	2,964.87	(66.99)

Note 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars		
Contingent Liabilities & Commitments		
a. Contingent Liabilities :		
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) (refund adjusted against demand ₹ 1958 Lakhs)	1,551.00	-
b. Excise matters & Service Tax under dispute (paid under protest Nil, Previous Year ₹ 66.39 Lakhs)	71.18	66.39
c. Custom matter under dispute (paid under protest Nil, Previous Year ₹ 71.48 Lakhs)	540.27	540.27
d. Sales Tax matter under dispute	30.66	30.66
e. Other matters under dispute	2,446.64	3,132.36
II. Other money for which the company is contingently liable :		
a. Corporate Guarantee given to subsidiary's Bankers (at the close of the year)	450.00	-
b. ICICI Bank Ltd (refer Note II below)	4,000.00	4,000.00
b. Commitments :		
I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 285.28 Lakhs - Previous Year ₹ 1,209.23 Lakhs)	2,609.34	7,944.55



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

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

Notes :

I. Income Tax

- The Income Tax assessments of the Company have been completed up to AY 2015-16.
- In the Books of Accounts, the Company has accounted Income tax refunds after adjustment of tax demand, if any done by the Income Tax authorities. 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 adjusted tax provision in the Books.
- MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY :**
The Company claimed deduction under Section 80 IA of the Income Tax Act 1961 in its return of income for Power undertaking for financial year 1998-99 to 2017-18 and for Effluent (Water) treatment for financial year 2016-17 to 2017-18. The assessing officer disallowed the benefit of deduction at assessment stage. The Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the Company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, the Company has a strong case / merit for claiming the deduction and thus expects a favourable outcome.
- The total demand outstanding as on 31.03.2019 on account of income tax dues is ₹ 1551 Lakhs (₹ NIL), net of tax paid/adjusted under protest ₹ 1958 Lakhs

II. Loan Purchase Agreement

The Company had entered into a 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). The Loan Purchase Agreement was executed for ₹ 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 41 OPERATING LEASE

Total amount of minimum future lease payments are as follows :

Sl. No.	Particulars	As at	
		31st March, 2019	31st March, 2018
a)	Not later than one year	30.59	30.59
b)	One to five year	146.36	146.36
c)	More than Five year	265.00	271.59
	Total	441.95	448.54

Note : Lease of 289.68 acres (116.11 Hectare) has been renewed upto 28.06.2046. The Deputy Conservator of Forests, Haliyal Division, is in the process of concluding the execution of Lease Agreement.

Note 42 EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33

Particulars	As at	
	31st March, 2019	31st March, 2018
Earnings		
Profit for the year	29,600.49	22,315.38
Shares		
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 Rs.2 - Basic (₹)	44.82	33.79
Diluted (₹)	44.82	33.79



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 43 RELATED PARTY DISCLOSURES AS PER IND AS 24**I. Relationship :****a. Associate Company**

- 1) Speciality Coatings and Laminations Ltd

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
- 5) Shree Rama Trust
- 6) The Marwar Textiles Agency Pvt Ltd
- 7) Kilkotagiri & Thirumbadi Plantation Ltd

d. Key Management Personnel (KMP)

- 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) Smt. Shashi Bangur
- 2) Shri Virendraa Bangur
- 3) Shri Saurabh 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

II. The following is a summary of related party transactions

Particulars	As at	
	31st March, 2019	31st March, 2018
i. Rent paid to :		
1) Veer Enterprises Ltd.	63.44	56.52
2) Shree Satyanarayan Investment Company Ltd.	46.83	44.80
3) Siddhi Trade & Holdings Pvt. Ltd.	15.97	14.76
4) Shri S. K. Bangur	21.35	7.00
5) Smt. Shashi Bangur	0.80	-
6) The Marwar Textiles Agency Pvt Ltd	0.65	0.65
ii. Charity & Donations :		
1) Rangnath Bangur Charitable Trust	30.00	30.00
2) Shree Rama Trust	5.32	4.00



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
iii. Compensation to KMP :		
Salary & other Employee benefit to Directors and Executive Officers	1,819.03	1,288.60
iv. Compensation to Shri Virendraa Bangur	28.00	28.00
v. Purchases from Gloster Cables Ltd.	241.74	288.55
vi. Sales to Kilkotagiri & Thirumbadi Plantation Ltd.	2.47	0.31

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

i. Due from related Parties		
1) Veer Enterprises Ltd.	5.55	5.55
2) Shree Satyanarayan Investment Company Ltd.	6.60	6.60
3) Smt. Shashi Bangur	2.40	-

Note 44 EARNINGS IN FOREIGN CURRENCY

Export on FOB/CIF/CFR basis	2,073.89	2,013.65
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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	
	2018-19	2017-18
Employer's Contribution to Provident Fund/Pension Fund	797.62	750.34
Employer's Contribution to Superannuation Fund	37.90	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

Particulars	For the year	
	2018-19	2017-18
Opening defined benefit obligation	2968.47	2873.61
Current service cost	152.83	153.39
Interest cost	233.94	208.62
Benefits paid	(248.51)	(324.64)
Actuarial losses/(gain)	(73.98)	57.49
Obligations at the end of the period	3,032.75	2,968.47

Change in Plan Assets

Opening fair value of plan assets	2927.06	2873.61
Interest income on plan assets	230.65	208.62
Actuarial gain/(Losses)	(48.66)	2.05
Contributions by employer	247.85	167.42
Assets transferred out / divestments	(226.70)	-
Benefits paid	(248.51)	(324.64)
Closing fair value of plan assets	2,881.69	2,927.06



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Amount recognized in Balance Sheet

Particulars	For the year	
	2018-19	2017-18
Present value of funded obligations	3,032.75	2,968.47
Fair value of Plan Asset	2,881.69	2,927.06
Net Asset / (Liability)	(151.06)	(41.41)

Expense recognised in statement of Profit and Loss Account

Particulars	For the year	
	2018-19	2017-18
Current service cost	152.83	153.39
Interest cost	233.94	208.83
Interest income on plan assets	(230.65)	(208.83)
Net Income/Expenses recognized in P & L	155.67	153.39

Expense recognised in OCI

Particulars	For the year	
	2018-19	2017-18
Actuarial (Gain) / Losses on Obligation for the period	(73.98)	57.49
Return on Plan Assets, Excluding Interest Income	48.66	(2.04)
Net (Income)/Expenses recognized in OCI	(25.32)	55.45

Sensitivity Analysis

Particulars	For the year	
	2018-19	2017-18
Effect of +1% increase in discount rate	(154.80)	(135.58)
Effect of -1% decrease in discount rate	174.17	151.84
Effect of +1% increase in salary rate	184.64	161.14
Effect of -1% decrease in salary rate	(166.08)	(145.64)
Effect of +1% increase in employee turnover	100.75	85.39
Effect of -1% decrease in employee turnover	(110.28)	(93.24)

Maturity Profile of projected benefit obligation from the fund

Particulars	For the year	
	2018-19	2017-18
1st following year	724.13	772.83
2nd following year	195.73	271.99
3rd following year	266.25	323.68
4th following year	298.85	260.24
5th following year	305.07	259.16
Sum of years 6 to 10	1,128.60	1,053.36
Sum of years 11 and above	2,324.87	1,962.31

Category of Plan Assets

Particulars	For the year	
	2018-19	2017-18
Managed by:		
LIC	55.23 %	54.82 %
Aditya Birla Capital	1.83 %	1.80 %
ICICI Prudential Life Insurance	42.94 %	43.38 %



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Financial assumptions at the valuation date

Particulars	For the year	
	2018-19	2017-18
Discount rate	7.76 %	7.88 %
Estimated rate of return on Plan Assets	7.76 %	7.88 %
Salary escalation over and above highest of salary in grade	1.00 %	1.00 %

Note 46 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR)

Particulars	As at	
	2018-19	2017-18
Number of non-resident shareholders	302	313
Number of shares held by them on which dividend was paid	2,23,350	2,16,256
Amount remitted - net of tax (₹ lakhs)	8.93	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 31.03.2019 and in respect of Assets / Liabilities as at 31.03.2019 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”.

Particulars	Paper		Cables		Others		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue										
Gross Turnover	1,85,989.08	1,65,532.07	11,711.28	7,654.51	18.66	13.04	-	-	1,97,719.02	1,73,199.62
Less : Excise Duty	-	2,212.95	-	159.16	-	-	-	-	-	2,372.11
Net Turnover	1,85,989.08	1,63,319.12	11,711.28	7,495.35	18.66	13.04	-	-	1,97,719.02	1,70,827.51
Segment result before Interest and Taxes	33,034.39	25,340.94	1,730.11	1,100.39	(5.26)	(3.41)	-	-	34,759.24	26,366.60
Less : Interest Expenses							2897.61	4165.40	2897.61	4,165.40
Add : Interest Income							703.73	47.19	703.73	47.19
Profit Before Tax	33,034.39	25,340.94	1,730.11	1,100.39	(5.26)	(3.41)	(2,193.88)	(4,036.70)	32,565.36	22,248.39
Current Tax							6803.22	4550.72	6803.22	4,550.72
MAT Credit							(2,131.85)	(4,550.72)	(2,131.85)	(4,550.72)
Deferred Tax							(1,706.50)	(66.99)	(1,706.50)	(66.99)
Profit for the year	33,034.39	25,340.94	1,730.11	1,100.39	(5.26)	(3.41)	(5,158.75)	(3,969.71)	29,600.49	22,315.38
Other Informations										
Segment Assets	1,81,986.97	1,53,568.81	9,950.95	5,371.66	48.22	109.09	-	-	1,91,986.14	1,59,049.56
Segment Liabilities	79,251.25	74,374.26	2,395.38	725.24	-	56.56	-	-	81,646.63	75,156.06
Capital Expenditure	15,294.13	15,254.68	956.53	33.62	-	-	-	-	16,250.66	15,289.91
Depreciation/Amortisation	17,493.77	11,512.11	105.27	107.18	3.16	3.16	-	-	17,602.20	11,622.45



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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 ₹ 875.75 lakhs (Previous year ₹ 4,550.72 lakhs) has been recognized.

Note 49 EVENT OCCURRING AFTER BALANCE SHEET DATE

Dividend proposed to be distributed

Particulars	As at	
	31st March, 2019	31st March, 2018
Dividend proposed for equity share holders @ ₹ 5/- per share (Previous Year ₹ 4/- per share)	3,302.45	2,641.96
Dividend Distribution Tax	678.82	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, the revenue from the operations for the year ended 31.03.2019 is not comparable with the corresponding period as sales upto 30th June 2017 was including Excise Duty, whereas it was reported net of GST, post implementation w.e.f. 1st July, 2017.

Note 52 The Company had been granted sales tax deferment facility for Phase III of the expansion, completed in June 2002 over & above fixed base sales tax liability. On reduction of CST rate, Company represented to Karnataka Government to revise the base sales tax liability which was rejected. Company made payment of sales tax considering revised base sales tax liability. Company filed Written Appeal in the Karnataka High Court and decision came in company's favour giving direction to the Department to consider Company's request. Meantime, Government has filed Written Appeal against the decision of Hon'ble High Court. Matter is pending for disposal.

Note 53 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	
	31st March, 2019	31st March, 2018
Gross amount required to be spent by the Company during the year	362.78	202.27
Amount spent during the year (including previous carried forward of last year)	177.37	149.90
Promotion of Art & Culture	19.35	10.84
Promotion of Social Activities and Creation of Infrastructure	63.44	71.05
Health Care	2.70	5.03
Sports and Games	5.57	10.72
Others	86.31	52.26
	177.37	149.90



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 54 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	
	31st March, 2019	31st March, 2018
a. Principal amount remaining unpaid to suppliers at the end of the year	8.81	3.29
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
	8.81	3.29

Note 55 INCOME TAX

a Amount recognised in Statement of Profit and Loss

Particulars	As at	
	31st March, 2019	31st March, 2018
Current Income Tax		
- Current Year	6,803.22	4,550.72
- MAT Credit Entitlement / Reversed	(2,131.85)	(4,550.72)
Deferred Tax	(1,706.50)	(66.99)
Income Tax Expense reported in the Statement of Profit or Loss	2,964.87	(66.99)

b Reconciliation of Effective Tax Rate

Particulars	As at	
	31st March, 2019	31st March, 2018
Profit before tax	32,565.36	22,255.62
Enacted Income Tax rate	34.944%	34.608%
Tax At applicable Statutory Income Tax Rate	11,379.64	7,702.22
Effect of Various Disallowance of expense	170.87	437.09
Benefit of previously carried forward losses	-	-
Effect of Deduction under chapter VIA of IT Act	(5,183.88)	(3,702.32)
Effect of previously carried forward loss to increase deferred tax	-	-
Effect of reinstatement of DTL while Ind AS adoption	230.35	180.72
Effect of Ind AS Adjustments to reduce DTL	(168.10)	(113.90)
Effect of derocognising benefit of Long term Capital Loss	-	-
Effect of timing differences in DTL for taxes & Depreciation	534.73	65.14
Other Differences	(160.39)	(18.23)
Tax Expense recognised in Profit & Loss	6,803.22	4,550.72
Effective Tax Rate (Actual or MAT rate which ever is higher)	20.89%	20.45%



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 56 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

- a. The Company has prepared consolidated financial as required under Ind AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.
- b. 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 57 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**Categories of Financial Instruments****Financial Assets**

Sl. No.	Particulars	Note	As at			
			31st March, 2019		31st March, 2018	
			Carrying Value	Fair Value*	Carrying Value	Fair Value*
1	Financial Assets Designated at Fair Value through Profit and Loss					
i)	Derivatives - not designated as hedging instruments		-	-	-	-
ii)	Investment in Equity Shares	7	39.22	39.22	65.04	65.04
iii)	Investment in Mutual Funds	7	22,189.09	22,189.09	0.00	0.00
2	Financial Assets designated at Fair Value through Other Comprehensive Income					
i)	Investment in Equity Shares		-	-	-	-
3	Financial Assets designated at Amortised Cost					
i)	Investment in Equity Shares	7	35.28	35.28	35.28	35.28
ii)	Others	7	0.10	0.10	0.10	0.10
iii)	Trade receivables	13	16,327.43	16,327.43	11,892.79	11,892.79
iv)	Cash and Cash Equivalents	14	691.73	691.73	751.84	751.84
v)	Other Bank Balances	15	324.11	324.11	256.35	256.35
vi)	Other receivables	16	118.68	118.68	598.26	598.26
4	Investment in subsidiary company	7	-	-	-	-

*There are no Financial Assets or Liabilities which fall under level 2 & 3

Financial Liabilities

Sl. No.	Particulars	Note	As at	
			31st March, 2019	31st March, 2018
1	Financial Liability Designated at Fair Value through Profit and Loss			
i)	Derivatives - not designated as hedging instruments		-	-
2	Financial Liability designated at Amortised Cost			
i)	Borrowings	20,21,25	36,123.50	31,525.97
ii)	Trade payables	26	18,992.40	20,196.07
iii)	Other financial liability	21	11,121.02	6,876.75

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.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Note 58 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	USD outstanding in terms of ₹ Lakhs	
	31st March, 2019	31st March, 2018
Financial Assets		
Cash and cash equivalents	-	-
Trade receivables	140.20	148.26
Other financial assets (including loans)	-	-
Financial Liabilities		
Trade payables	9,006.97	13,016.65
Borrowings	10,100.56	13,936.64
Interest Accrued but not due	74.73	126.05
Net Assets / Liabilities	19,322.46	27,227.60

The following significant exchange rates have been applied:

(Currency in ₹)

Particulars	As at	
	31st March, 2019	31st March, 2018
USD	69.16	65.18
Euro	77.78	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

Particulars	2018-19		2017-18	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD Sensitivity	47.47	(47.47)	68.31	(68.31)



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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

Particulars	Year ended	
	31st March, 2019	31st March, 2018
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	515.13	-
Net foreign exchange (gain)/ losses shown as Finance Cost	251.50	152.18
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives		
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	-	-
Total	766.63	152.18

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			
	31st March, 2019		31st March, 2018	
Fixed Rate borrowings	-	-	-	-
Variable Rate borrowings	10,100.56	100%	17,516.27	100%
Total	10,100.56	100%	17,516.27	100%

Sensitivity on variable rate borrowings

Particulars	Impact on			
	Profit and Loss Account		Equity	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Interest rate increase by 0.25%	25.25	43.79	25.25	43.79
Interest rate decrease by 0.25%	(25.25)	(43.79)	(25.25)	(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 Rs. 16327.43 Lakhs and Rs. 11892.79 Lakhs as of March 31, 2019 and March 31, 2018, 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.



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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

Particulars	Year ended	
	31st March, 2019	31st March, 2018
Revenue from top customer	5.48%	6.41%
Revenue from top five customers	24.12%	26.40%

a Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 was ₹ 372.56 Lakhs.

Particulars	As at	
	31st March, 2019	31st March, 2018
Balance at the beginning	397.75	102.62
Impairment loss reversed	25.19	30.43
Additional provision created / (reversal) during the year	-	325.56
Balance at end	372.56	397.75

b Aging analysis of Trade Receivables

Particulars	As at							
	31st March, 2019				31st March, 2018			
	Not due	Upto 6 months	6 - 12 months	Above 12 months	Not due	Upto 6 months	6 - 12 months	Above 12 months
Unsecured	14,111.39	1,892.20	40.28	283.56	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 31.03.2019

Particulars	Carrying amount	Less than 1 Year	1 - 5 Years	More than 5 Years	Total
Borrowings - Current	20,693.28	20,693.28	-	-	20,693.28
Borrowings - Non-current	15,430.22	-	11,852.11	3,465.61	15,317.72
Trade payables	18,992.40	18,992.40	-	-	18,992.40
Other financial liabilities - Current	7,684.20	7,684.20	-	-	7,684.20
Trade deposits	3,982.88	-	-	3,982.88	3,982.88
Interest accrued but not due on loans	75.00	75.00	-	-	75.00
Derivative financial instruments	-	-	-	-	-



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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	10,497.30	10,497.30	-	-	10,497.30
Borrowings - Non-current	21,028.68	-	15,984.34	5,044.34	21,028.68
Trade payables	20,196.06	20,196.06	-	-	20,196.06
Other financial liabilities - current	4,240.69	4,240.69	-	-	4,240.69
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	
	31st March, 2019	31st March, 2018
Borrowings	36,123.50	31,525.97
Less: Cash and Cash Equivalents including bank balance	691.73	751.84
Less: Current Investments	22,189.09	-
Net Debt	13,242.68	30,774.13
Equity	1,10,339.51	83,893.50
Capital and Net Debt	1,23,582.19	1,14,667.63
Gearing Ratio {Net debt / Capital and net debt}	10.72%	26.84%

Note 59 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			
	31st March, 2019		31st March, 2018	
	FC in Mn	MTM in ₹ Lakhs	FC in Mn	MTM in ₹ Lakhs
US Dollar	0.375	(82.62)	0.375	(35.92)
	0.375	(82.62)	0.375	(35.92)



Notes on Consolidated Financial Statements (Contd.)

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

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			
	31st March, 2019		31st March, 2018	
	FC in Mn	MTM in ₹ Lakhs	FC in Mn	MTM in ₹ Lakhs
US Dollar*	24.01	16,911.29	32.78	21,365.75
Euro	0.27	211.25	0.03	24.13
JPY	-	-	0.93	571.03
SEK	5.82	450.84	14.26	1,155.73
CHF	0.54	375.23	-	-
	30.64	17,948.61	48.00	23,116.64

* Net of receivables - US Dollar 0.17 Million - ₹ 118.96 Lakhs (Previous Year USD 0.23 Mn - ₹ 148.26 Lakhs)

Note 60 CHANGE IN DEPRECIATION METHOD

The company had provided depreciation by following Straight Line Method (“SLM”)/Written Down Value (“WDV”) method for different class / category of Property, Plant & Equipment (PPE) upto 31st March, 2018. Effective from April 2018, the Company decided to follow WDV method of depreciation for all Plant & Machinery to reflect the appropriate pattern of usage and expected benefit of such assets. The company has also reviewed the useful life of Plant and Machineries and basis expert’s opinion, revised the same for certain category of Plant & Machinery. These being change in estimate as per Ind AS - 8, effect of the same is to be taken prospectively and accordingly the effect for the same was considered w.e.f. 1st April 2018. Due to this change, the depreciation provision for the year ended 31.03.2019 is higher by ₹ 5,402.05 Lakhs as compared to earlier year.

Note 61 Previous year’s figures have been regrouped and reclassified wherever necessary.

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

Sukhendra Lodha

Partner

M.No. 071272

Place: Mumbai

Date: 29th May 2019

For and on behalf of the Board

S. K. Bangur

Chairman & Managing Director

Rajendra Jain

Executive Director & CFO

Brajmohan Prasad

Company Secretary

Shashi Bangur

P. N. Kapadia

M. P. Taparia

Lt. Gen. (Retd.) Utpal Bhattacharya

Krishna Kumar Karwa

Amitav Kothari

Sudarshan Somani

Directors

Business Stationery



Copy Gold
75 GSM



B2B Copier
70 GSM



Wesco Ledger
70-90 GSM

Copy Plus
80 GSM



Documate
65 GSM



Security and Specialty Paper



MICR Cheque Paper
95 GSM

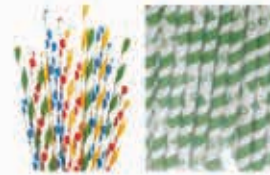


Wesco Dura Print
90-120 GSM

Wesco Bond
80-100 GSM



Wesco Straw Base & Fold
90-120 GSM



Wesco MG Paper
80-300 GSM

Cup Stock & Boards



Cupstock
165-220 GSM



Duplex Board
230-550 GSM

Wesco Greetings
165-220 GSM



Wesco Folding Box Board
190-230 GSM



Premium Printing Paper



Wesco Classic
58-120 GSM



Wesco Marvel
60-120 GSM

Wesco Indigo Classic
54-80 GSM



Wesco Supershine
60-120 GSM





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WEST COAST PAPER MILLS LIMITED

Regd. Office: P B No 5, Bangur Nagar, Dandeli - 581 325, Uttara Kannada, Karnataka
CIN: L02101KA1955PLC001936, GSTN: 29AAACT4179N1ZO, Phone: (08284) 231391-395 (5 Lines),
Fax: (08284) 231225, E-mail: co.sec@westcoastpaper.com, Website: www.westcoastpaper.com

NOTICE

NOTICE is hereby given that the 64th Annual General Meeting of the members of WEST COAST PAPER MILLS LIMITED will be held at the Registered Office of the Company at Bangur Nagar, Dandeli - 581 325, Uttara Kannada District, Karnataka, on Thursday, the 8th August, 2019, at 4.00 P.M. at Shree Rangnath Auditorium to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2019 including the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2019.
3. To appoint a Director in place of Shri Rajendra Jain (DIN: 07250797), who retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Shri S.K.Tikare (M.No.020794), Cost Accountant, Belgaum as Cost Auditor of the Company and Ratification of Remuneration

To consider and, if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration of Rs. 1,20,000/- as approved by the Board of Directors of the Company be paid to **Shri S.K.Tikare (M.No.020794)**, Cost Auditor, Belgaum, to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2020, be and is hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect of this Resolution.”

5. Remuneration to Shri Virendraa Bangur, Chief Executive of West Coast Optilinks (Division of West Coast Paper Mills Limited)

To consider and if thought fit, to pass with or without modifications, the following as **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 177, 188(1) of the Companies Act, 2013, read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules 2014 and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions made there under and/or applicable regulations, the revised remuneration/salary to Shri Virendraa Bangur, for holding and continuing to hold an office or place of profit as “Chief Executive” of West Coast Optilinks – Cable Division of the Company on a monthly remuneration of Rs.6,25,000/- (Cost to the Company including all perks & benefits) w.e.f. 01.09.2019, be and is hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect of this Resolution.”

6. Re-Appointment of Shri Amitav Kothari (DIN:01097705) as an Independent Director of the Company

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), **Shri Amitav Kothari (DIN:01097705)** who was appointed as an Independent Director of the Company w.e.f February 12, 2016 to February 11, 2019 and who is eligible for being re-appointed as an Independent Director and who

meets the criteria for independence as provided under Section 149 (6) of the Act along with the rules framed thereunder and Regulation 16(1) (b) of the SEBI LODR and who has submitted the declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for second term of 3 years with effect from February 12, 2019 to February 11, 2022.”

7. Re-Appointment of Shri P N Kapadia (DIN:00042090) as an Independent Director of the Company

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), **Shri P N Kapadia (DIN:00042090)** who was appointed as an Independent Director of the Company w.e.f May 30, 2016 to May 29, 2019 and who is eligible for being re-appointed as an Independent Director and who meets the criteria for independence as provided under Section 149 (6) of the Act along with the rules framed thereunder and Regulation 16(1) (b) of the SEBI LODR and who has submitted the declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for second term of 3 years with effect from May 30, 2019 to May 29, 2022.”

By Order of the Board

Brajmohan Prasad
Company Secretary
M.No. F7492

Place: Mumbai
Date: 29th May, 2019

NOTES:

1. ONLY A PERSON, WHOSE NAME IS RECORDED IN THE REGISTER OF MEMBERS OR IN THE REGISTER OF BENEFICIAL OWNERS MAINTAINED BY THE DEPOSITORIES AS ON THE CUT-OFF DATE SHALL BE ENTITLED TO AVAIL THE FACILITY OF REMOTE E-VOTING OR VOTING AT THE 64TH ANNUAL GENERAL MEETING (AGM) THROUGH POLLING/ BALLOT PAPER.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/ PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN FORTYEIGHT HOURS (48) BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HERewith.
3. Members/Proxies are requested to bring their copies of Annual Report, Notice and Attendance Slip sent herewith, duly filled-in for attending the meeting. Members holding shares in DEMAT form are requested to incorporate the DP ID Number and Client ID Number in the Attendance Slip for easy identification of attendance at the meeting.
4. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the meeting.
5. In terms of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. Member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Member holding shares in physical form may file nomination in the prescribed form SH-13 with the Company’s Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
8. Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, in respect of the business under item number 4, 5, 6 and 7 set out above, are annexed hereto.

9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 10:00 Hrs. and 12:00 Hrs. up to the date of the Annual General Meeting.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address either with the Company or with the Depository Participant(s) can register the same by sending email to M/s Link Intime India Pvt. Ltd. or to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants.
11. The Register of Members and the Share Transfer Books will remain closed from 24th July, 2019 to 8th August, 2019 (both the days inclusive).
12. The equity dividend as recommended by the Board of Directors, if declared at the meeting, will be paid, on or after 13th August, 2019 to those shareholders whose names appear in the Register of Members on 8th August, 2019. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership at the close of business hours on 23rd July, 2019, based on the details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, for this purpose.
13. In compliance with the SEBI circular, the Company has assigned all the work related to share registry in terms of both physical and electronic to –
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
All members are requested to send/deliver their documents/correspondence relating to the Company's Share Transfer/Demat/Remat requests to the above Registrar and Share Transfer Agent. Members holding shares in physical form are requested to notify, promptly, any change in their address, to the Registrar and Share Transfer Agent.
 - (i) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their bank mandates immediately to the Link Intime India Pvt. Ltd.
 - (ii) With a view to provide protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide their bank account numbers, name of the banks, IFSC code and address of the branches to enable the Company to incorporate the said details in the dividend warrants. Those members who are holding shares in physical form and who have not yet furnished such information are again requested to furnish these details quoting their folio numbers to reach the Registrar and Share Transfer Agent, at the address given above, latest by 23rd July, 2019, to enable them to incorporate this information in the dividend warrants or to transfer dividend through electronically. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.
 - (iii) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in bank details. Such members may therefore give instructions regarding change/deletion in bank details to their Depository Participants only.
 - (iv) Members are requested to register their Permanent Account Number (PAN), E-mail ID and Mobile number with their Depository Participants, in case shares are held in dematerialized form and with Company/Link Intime India Pvt. Ltd., in case of shares held in physical form.
 - (v) Members holdings shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent.

14. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund. Thereafter, members shall not be able to register their claim in respect of their un-encashed dividends with the Company. Further, pursuant to Section 124(6) of the Companies Act, 2013 shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to Investor Education and Protection Fund. Members who have not yet encashed their dividend warrants for the financial year ended on March 31, 2012 and onwards are advised to make their claims to the Company, without any delay.

The Unclaimed dividend for the year ended on March 31, 2012 will be transferred to the Investor Education and Protection Fund in terms of the provisions of Section 124 of the Companies Act, 2013, in the month of September 2019. The details of the unpaid/unclaimed amounts lying in the Company as on 22nd August 2018 (date of last AGM) are available on the website of the Company www.westcoastpaper.com and on the Ministry of Corporate Affairs website. Shareholders whose dividends/shares as transferred to the IEPF Authority can now claim their dividends/shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

15. Once a vote on a resolution is cast through remote E-voting by a member, the member shall not be allowed to subsequently change it. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
16. Shri Naman Gurumurthi Joshi (Membership No.F8389), Company Secretaries, N.G.Joshi & Co., has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

17. Instructions and other information relating to remote E-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer its Members, facility to exercise their right to vote in respect of the businesses to be transacted through E-Voting Services.

The Company has entered into an agreement with Link Intime India Pvt. Ltd.,(LI IPL) for availing Electronic Voting facility in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. E-voting instructions, user ID & Password are being informed by Link Intime India Pvt. Ltd.,(LI IPL), to those members who have registered their e-mail ID and for other members it is indicated in the separate attendance slip. Further members who are already in possession of user ID & Password may use the same.

The facility for voting through polling/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote E-voting shall be able to exercise their right at the meeting through polling/ballot paper. Member who do not have access to E-voting facility and wish to send his/her assent or dissent in writing on a postal ballot then he/she can download postal ballot form, from the Website of the Company and send to scrutinizer so as to reach on or before 6th August, 2019. Alternatively, the Members have the option to request for physical copy of the postal ballot by contacting Share Department of the Company at its registered office.

The E-voting period begins on 5th August, 2019 at 9.00 A.M. and ends on 7th August, 2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The E-voting module shall be disabled by LI IPL for voting thereafter.

For those shareholders opting for remote E-voting, the process and manner of remote E-voting will be as follows:

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

- (i) Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section.

- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
- (iv) Your User ID details are given below:
- Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

- (v) Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participant or Company, please enter Folio Number in the Bank Account Number Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase Shareholder is having valid e-mail address, Password will be sent to the shareholder registered e-mail address. Else, Shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by Demat Shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For Shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- (vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the Company, you choose to vote.

- (vii) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.

- (viii) If you wish to view the Resolution details, click on the ‘View Resolutions’ File Link.

- (ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.

- (x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

- (xi) You can also take the printout of the votes cast by you by clicking on “Print” option on the voting page.

❖ **General Guidelines for Shareholders:**

- (xii) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the Board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same, also can send the same to scrutinizer at email ID :csnaman@ngjoshiandco.com.

- (xiii) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.

- (xiv) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

- (xv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.westcoastpaper.com and on the website of Link Intime India Pvt. Ltd., immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, Mumbai.

19. The brief profile of the Director retiring by rotation and being eligible, seeking re-appointment at the AGM pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards 2 issued by the Institute of Company Secretaries of India is given below and forms part of the notice:

Sl. No.	Nature of Information	Item No.3 of Notice
1.	Name of the Director	Shri Rajendra Jain
2.	Age	57 years
3.	Director of Company since	31st July, 2015
4.	Expertise in specific functional areas	Professional
5.	Relationships between Directors inter-se	None
6.	Directorship in other Listed entities	None
7.	Membership of Committees of the Board in other Listed entities	None
8.	No. of shares held in the Company	Nil

By Order of the Board

Brajmohan Prasad
Company Secretary
M.No. F7492

Place: Mumbai
Date: 29th May, 2019

ANNEXURE TO THE NOTICE

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4

On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 29.05.2019 have approved the appointment of Shri S.K.Tikare, Cost Accountant (M/020794), Belgaum as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the year ended on 31st March, 2020 at a remuneration of Rs. 1,20,000/- in terms of provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, subject to the ratification by members.

The Board has recommended the Resolution as set out at Item No.4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.4 of the Notice.

Item No. 5

Section 188(1) of the Companies Act, 2013 (Act) provides for the related party's remuneration exceeding the limit of Rs. 2.50 Lakhs per month to any office or place of profit. The proviso of Section 188(1) of the said Act require a Company to obtain prior approval of the shareholders.

The Board of Directors of the Company on the recommendation of the Audit Committee and Nomination & Remuneration Committee, at their meeting held on 29th May 2019 have consented for increase of remuneration to Rs.6,25,000/- per month (Cost to the Company including all perks & benefits) w.e.f. 01.09.2019, payable to Shri Virendraa Bangur, "Chief Executive" of West Coast Optilinks, cable division of the Company, who has grown in hierarchy since 01.09.1997 beginning with Management Executive, subject to approval of the Shareholders at Annual General Meeting.

Shri Virendraa Bangur has held many positions since 01.09.1997 beginning with Management Executive and presently holding the position of "Chief Executive" in the cable division of the Company.

The Board considered the above increase of remuneration/salary in view of skill, vast experience and knowledge of Shri Virendraa Bangur, Chief Executive, West Coast Optilinks, cable division, which would be of immense benefits to the Company and it is desirable to avail his services.

Disclosure of Particulars in terms of Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014

- a. Name of the related party : Shri Virendraa Bangur
- b. Name of the director or key managerial personnel who is related, if any :
 - Shri S K Bangur, Chairman & Managing Director;
 - Shri Saurabh Bangur, Vice-Chairman; and
 - Smt. Shashi Bangur
- c. Nature of relationship: Chief Executive of West Coast Optilinks, Cable Division of the Company
- d. Nature, material terms, monetary value and particulars of the contract or arrangement: As mentioned above in the explanatory statement and the Resolution set out in Item No. 5 of this Notice.

Shri S K Bangur, Chairman & Managing Director, Shri Saurabh Bangur, Vice-Chairman and Smt. Shashi Bangur are interested in the resolutions set out at Item No.5 of the Notice with regard to his remuneration/salary, and relatives of the Shri Virendraa Bangur may be deemed to be interested in the said resolutions to the extent of their shareholdings, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company or Relatives of other Directors and Key Managerial Personnel is in any way concerned or interested in the said resolutions.

The Board of Directors of the Company recommended the resolution as set out at Item No.5 of this Notice for your approval (shareholders of the Company).

Item No.6 and 7

It is required under Section 149(4) of the Companies Act, 2013 ("the Act") to appoint Independent Directors and maximum tenure as per Section 149(10) of the Act is upto 5 consecutive years, but shall be eligible for re-appointment on passing of a special resolution by the Company for another term upto 5 consecutive years.

Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090) were appointed as Independent Directors to hold office for 3(three) consecutive years not liable to retire by rotation with effect from February 12, 2016 and May 30, 2016 respectively, the said term was completed on 11.02.2019 and 29.05.2019 respectively and Board of Directors in their meeting held on 08.02.2019 and 29.05.2019 respectively, on the basis of report of performance evaluation have re-appointed them as 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., 12.02.2019 and 30.05.2019 respectively subject to approval of members of the Company at the Annual General Meeting.

The Company has received declaration from Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090), that, they are not disqualified to become a Director and also consented to hold the office of the Directors.

The Board considered the re-appointment of Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090) in view of their skill, vast experience and knowledge, which would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors.

In the opinion of the Board, Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090) fulfills the conditions specified in the Act and Rules made thereunder and the proposed Directors are Independent of the Management.

The brief profile of Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090) as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards 2 issued by Institute of Company Secretaries of India, are provided as 'Exhibit A' to this Notice.

Shri Amitav Kothari(DIN:01097705) and Shri P N Kapadia(DIN:00042090) are interested in the resolutions set out respectively at Item No.6 and 7 of the Notice with regard to their respective appointment, and relatives of the said Directors may be deemed to be interested in the said resolutions to the extent of their shareholdings, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or Relatives of Director and Key Managerial Personnel are in any way concerned or interested in the said resolutions.

Letter of appointment of Shri Amitav Kothari (DIN:01097705) and Shri P N Kapadia (DIN:00042090) setting out the terms and conditions are available for inspection by the members at the Registered Office of the Company.

The Board of Director recommended the resolution as set out at Item No.6 and 7 of this Notice for your approval.

Exhibit A

Sl. No	Nature of Information	Item No.6 of Notice	Item No.7 of Notice
1.	Name	Shri Amitav Kothari	Shri P N Kapadia
2.	Age	66 years	70 years
3.	Director of Company since	12th February, 2016	7th August, 1992
4.	Expertise in specific functional areas	Business	Industrialist
5.	Relationships between Director inter-se	None	None
6.	Directorship in other Listed entities	1) Kiran Vyapar Ltd. 2) Kanoria Chemicals & Industries Ltd.	1) Kaira Can Co. Limited 2) Alkyl Amines Chemicals Ltd.
7.	Membership of Committee of the Board in other Listed entities	Chairman-Audit Committee 1) Kiran Vyapar Ltd. 2) Kanoria Chemicals & Industries Ltd. Member-Stakeholders Relationship Committee 1) Kanoria Chemicals & Industries Ltd.	Chairman- Stakeholders Relationship Committee 1) Kaira Can Co. Limited Member-Audit Committee 1) Alkyl Amines Chemicals Ltd.
8.	No. of Shares held in the Company	Nil	Nil

By Order of the Board

Brajmohan Prasad
Company Secretary
M.No. F7492

Place: Mumbai
Date: 29th May, 2019



ATTENDANCE SLIP

WEST COAST PAPER MILLS LIMITED

Regd. Office: P B No 5, Bangur Nagar, Dandeli - 581 325, Uttara Kannada, Karnataka
CIN: L02101KA1955PLC001936, GSTN: 29AAACT4179N1ZO, Phone: (08284) 231391-395 (5 Lines),
Fax: (08284) 231225, E-mail: co.sec@westcoastpaper.com, Website: www.westcoastpaper.com

64th Annual General Meeting on 8th August, 2019

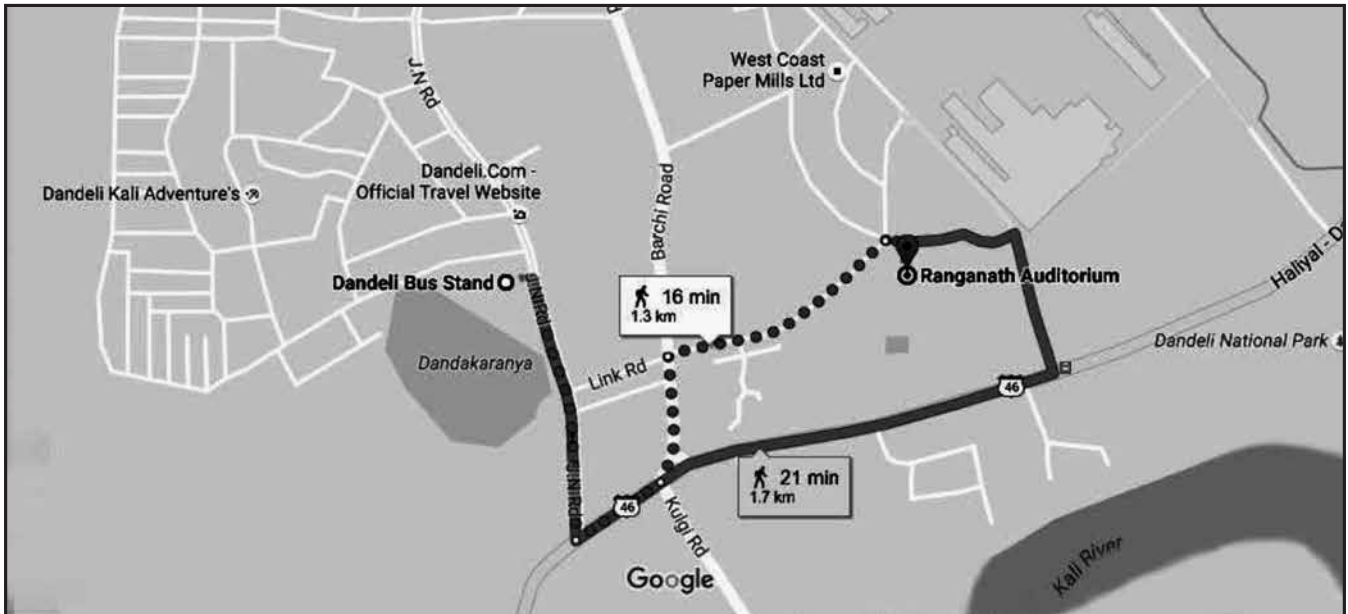
Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Registered Folio / DP & CL ID	
No. of Shares	
Name and address of the shareholder(s)/Proxy	
Joint Holder 1	
Joint Holder 2	

I hereby record my presence at the 64th ANNUAL GENERAL MEETING of the Company held on Thursday the 8th August, 2019 at 4.00 P.M. at the Registered Office of the Company at P B No. 5, Bangur Nagar, Dandeli – 581 325, Uttara Kannada, Karnataka at Shree Ranganath Auditorium.

SIGNATURE OF THE SHARE HOLDER/PROXY

Route Map - Venue of AGM - Shree Ranganath Auditorium, Bangur Nagar, Dandeli - 581325 (Karnataka)





Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L02101KA1955PLC001936

Name of the company : **West Coast Paper Mills Limited**

Registered office : P B No 5, Bangur Nagar, Dandeli-581325, Dist- Uttara Kannada, Karnataka,

Ph: (08284) 231391 – 395 (5 Lines) Fax: (08284) 231225,

Email: co.sec@westcoastpaper.com, Website: www.westcoastpaper.com

Name of the member (s) :	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name _____

Address _____

E-mail ID _____

Signature _____, or failing him/her

2. Name _____

Address _____

E-mail ID _____

Signature _____, or failing him/her

3. Name _____

Address _____

E-mail ID _____

Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 64th Annual General Meeting of the Company, to be held on 8th August, 2019, at 4:00 P.M. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:
1) To consider and adopt the Audited Financial Statements for the year ended March 31, 2019 including Reports of the Directors and Auditors thereon.
2) To declare dividend on Equity Shares for the financial year ended on March 31, 2019.
3) Re-appointment of Shri Rajendra Jain, who retires by rotation.
Special Business:
4) To ratify the remuneration of Shri S.K.Tikare, Cost Auditor.
5) Remuneration to Shri Virendraa Bangur, Chief Executive of West Coast Optilinks (Cable Division of the Company).
6) Re-Appointment of Shri Amitav Kothari (DIN:01097705) as an Independent Director of the Company.
7) Re-Appointment of Shri P N Kapadia (DIN:00042090) as an Independent Director of the Company.

Signed this _____ day of _____, 2019

Signature of Shareholder _____

Signature of proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

