

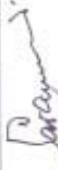


**SHREE BHAWANI PAPER MILLS LIMITED**

**FORM B**

**(Clause 31 (a) of the Listing Agreement)**

1	Name of the Company	SHREE BHAWANI PAPER MILLS LIMITED
2	CIN No.	L21015UP1979PLC004783
3	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
4	Type of Audit Qualification	Qualified
5	Frequency Qualification	Repetitive
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Auditor's Report and Refer Note Nos 41, 43 and 29 of Financial Statements, management response.
	Additional comments from the Board/ Audit Committee Chair	Refer to Heading Auditor's Qualification/ Remarks of Director's Report
6	To be signed by	As per disclosures made in the Annual report
	• CEO / Managing Director	 (Girish Tandon) DIN No. 104928
	• CFO	 (Mani Pandey) Chartered Accountant Membership No.075678
	• Auditors of the Company	For P.L. Gupta & Co. Chartered Accountants Firm Registration No.011575C P.L. Gupta P.L. Gupta (PARTNER) Membership No.009444
	• Audit Committee Chairman	 Saran Vinod DIN No.06548248



# **36th**

**DIRECTORS' REPORT  
AND ANNUAL ACCOUNTS  
FOR THE YEAR ENDED  
31ST MARCH, 2015**

**SHREE BHAWANI**   
**PAPER MILLS LIMITED**

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# SHREE BHAWANI PAPER MILLS LIMITED

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## **DIRECTORS**

Shri Badri Vishal Tandon  
Shri C.M. Krishna  
Brig. (Retd.) Shri Rajeev Lochan Singh SC  
Shri Saran Vinod  
Shri Atul Seth  
Smt. Lakshmi Kumari  
Shri Girish Tandon, Managing Director  
Shri Alankar Tandon, Executive Director

## **COMPANY SECRETARY**

Smt. Babita Jain

## **CHIEF FINANCIAL OFFICER**

Shri R. M. Pandey

## **AUDITORS**

M/s P. L. Gupta & Co.  
Chartered Accountants

## **BANKERS**

Bank of Baroda

## **REGISTERED & ADMINISTRATIVE OFFICE**

33, Dayanand Marg, Allahabad -211 002

## **MILLS**

Industrial Area No. 1, Sultanpur Road,  
Rae Bareli -229 010

## **REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153 A, Okhla Industrial Area,  
Phase - I  
New Delhi 110 020

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# SHREE BHAWANI PAPER MILLS LIMITED

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## SHREE BHAWANI PAPER MILLS LIMITED

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### SHREE BHAWANI PAPER MILLS LIMITED

CIN : L21015UP1979PLC004783  
Registered Office : 33, Dayanand Marg, Allahabad 211 002  
Website : www.shbhawani.com  
Email : info@shbhawani.com

### NOTICE

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of SHREE BHAWANI PAPER MILLS LIMITED will be held at the Registered office of the Company at 33, Dayanand Marg, Allahabad-211002, on Wednesday, the 30<sup>th</sup> September, 2015 at 11.30 A.M. to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2015 including Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit & Loss Account for the year ended on that date, the Report of the Directors and the Report of the Auditors, thereon.
2. To appoint a Director in place of Shri Badri Vishal Tandon (DIN: 0108408) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year and in this connection, to consider and if thought fit, to pass with or without modification(s), the following Resolution as Ordinary Resolution:  
"RESOLVED THAT M/s P.L. Gupta & Co., Chartered Accountants (Registration No: 011575C), the retiring Auditors, be and are hereby re-appointed as Auditors of the Company, to hold Office from the conclusion of this Meeting till the conclusion of next Annual General Meeting at a remuneration of Rs.1,50,000/- (Rupees one lac fifty thousand only) plus service tax, as applicable, and travelling and other out of pocket expenses."

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Ordinary Resolution:  
**Confirmation of appointment of Smt Lakshmi Kumari (DIN: 07134683) as Director of the Company.**  
"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force), Smt Lakshmi Kumari (DIN: 07134683) who has been appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying her intention to propose the candidature of Smt Lakshmi Kumari for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."
5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:  
**Adoption of New set of Articles of Association containing Regulations in conformity with the Companies Act, 2013.**  
"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

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## SHREE BHAWANI PAPER MILLS LIMITED

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RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper, expedient to give effect to this Resolution."

6. To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016 and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**Ratification of remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016 as recommended by Audit Committee and approved by the Board**

"RESOLVED THAT pursuant to the provisions of 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) re-enactment thereof, for the time being in force), remuneration of Rs. 25,000/- (Rupees twenty five thousand only) plus out of pocket expenses, as recommended by the Audit Committee and as approved by the Board of Directors of the Company, be paid to Shri Rakesh Misra, the Cost Auditor of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016, be and is hereby ratified and confirmed."

REGISTERED OFFICE :  
33, DAYANAND MARG  
ALLAHABAD - 211002

DATED : 11<sup>TH</sup> AUGUST, 2015

BY ORDER OF THE BOARD

BABITA JAIN  
COMPANY SECRETARY  
FCS 3824

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## SHREE BHAWANI PAPER MILLS LIMITED

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### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

Proxies in order to be valid must be received by the Company not later than 48 hours before the commencement of the Meeting. The relevant proxy form is enclosed herewith.

2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution on the letterhead of the Company, signed by one of the directors or company secretary or any other authorised signatory, authorising their representatives to attend and vote on their behalf at the Meeting.
3. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
6. Members are requested to intimate change, if any, in their addresses.
7. Brief resume of Directors including those proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report.
8. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
9. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
10. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Shareholders who are still holding physical share certificates are advised to dematerialise their shareholdings to avail the benefits of dematerialisation which includes easy liquidity through electronic transfer, saving in stamp duty and prevention of forgery.
14. The Company has paid annual listing fee to the Bombay Stock Exchange Ltd., Mumbai, where the Company's equity shares are listed, for the financial year 2015-16.

## SHREE BHAWANI PAPER MILLS LIMITED

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15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 36<sup>th</sup> Annual General Meeting of the Company.
16. Details of the Directors seeking re-appointment/appointment at this Annual General Meeting: (Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., Mumbai):

Name of the Director	<b>Shri Badri Vishal Tandon</b>
DIN No	0108408
Date of joining the Board	06.07.1979
Profile of the Director	Shri Badri Vishal Tandon, aged about 66 years, is a Law Graduate and has more than 42 years of experience as Advocate High Court, Allahabad. He has special expertise in tax matters. He has been a Director of the Company since inception and is also a member of Audit Committee and Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	246998
Directorship and Committee Membership in other Companies	Director in Sahitya Bhawan Pvt.Ltd., Allahabad.

Name of the Director	<b>Smt Lakshmi Kumari</b>
DIN No	07134683
Date of joining the Board	31.03.2015
Profile of the Director	Smt Lakshmi Kumari aged about 65 years, is graduate from Kanpur University and is Self Employed
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL

**17. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Agreement with the Bombay Stock Exchange, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).  
The instructions for e-voting are as under:
- A. In case a Member receive an email from NSDL (for members whose e-mail addresses are registered with the Company/ Depository Participant(s):
- i) Open the e-mail and also open the attached PDF file namely "e-Voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No.(in case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
  - ii) Launch internet browser by typing the URL- <https://www.evoting.nsdl.com/>
  - iii) Click on "Shareholder – Login".



## SHREE BHAWANI PAPER MILLS LIMITED

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- iv) If you are already registered with NSDL for e-voting then you can use your existing User ID and password and click Login.
  - v) If you are logging in for the first time, please enter the User ID and password as initial password noted in step (i) above and click Login.
  - vi) Password Change Menu appears. Change the password with a new password of your choice with minimum 8 digits/ characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
  - vii) Home page of "e-Voting" opens. Click on e-Voting- Active Voting Cycles.
  - viii) Select "EVEN" (Electronic Voting Event Number) of Shree Bhawani Paper Mills Limited.
  - ix) Now you are ready for e-Voting as "Cast Vote" page opens.
  - x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
  - xi) Upon confirmation, the message "Vote Cast Successfully" will be displayed.
  - xii) Once you have voted on the Resolution, you will not be allowed to change/ modify your vote.
  - xiii) Institutional Shareholders (ie other than Individuals, HUF, NRI etc) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser through email to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depository Participant(s):
- i) Initial password is provided in the enclosed 'Instruction for e-voting' form for the AGM
- |   |                |                       |
|---|----------------|-----------------------|
| <b>EVEN</b><br>(Electronic Voting Event Number) | <b>USER ID</b> | <b>PASSWORD / PIN</b> |
|---|----------------|-----------------------|
- ii) Please follow all steps from Sl.No. (ii) to Sl.No. (xiii) above, to cast vote.
  - II. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of <https://www.evoting.nsdl.com>.
  - III. The e-voting period commences on Sunday, 27<sup>th</sup> September, 2015 (9.00 A.M.) and ends on Tuesday, 29<sup>th</sup> September, 2015 (5.00 P.M.) During this period, Shareholders of the Company, holding shares either physical form or in dematerialised form, as on the relevant date of 23<sup>rd</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
  - IV. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share of the Company as on the relevant date of 23<sup>rd</sup> September, 2015.
  - V. Shri Anil Kumar, Practising Company Secretary (Membership No. FCS 5693 and Certificate of Practice 5592) email id:[purswanianil@gmail.com](mailto:purswanianil@gmail.com) has been appointed as the Scrutiniser to scrutinise the process in a fair and transparent manner.
  - VI. The Scrutiniser shall, at least 2 working day from the conclusion of the e-voting period, unblock the votes the presence of at least 2 witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - VII. The Result shall be declared on or after the Annual General Meeting. The Result declared along with the Scrutiniser's Report shall be placed on the Company's website [www.shbhawani.com](http://www.shbhawani.com) and on the website of NSDL within two days of the passing of the Resolutions at the Annual General Meeting the Company and communicated to the Bombay Stock Exchange, where the shares of the Company are listed.

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## SHREE BHAWANI PAPER MILLS LIMITED

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

The following statement sets out all material facts relating to Special Business mentioned in the Notice:

#### ITEM NO. 4

Pursuant to provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with Bombay Stock Exchange, every listed company is required to appoint at least one woman director on Board of the Company by 31<sup>st</sup> March, 2015. In compliance thereof, Smt Lakshmi Kumari (DIN: 07134683) was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 31<sup>st</sup> March, 2015.

In terms of Section 161(1) of the Companies Act, 2013, Smt Lakshmi Kumari holds office as Additional Director only up to the date of the forthcoming Annual General Meeting. The Company has received a notice with requisite deposit from a member proposing her candidature as a Woman Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. The Company has received (i) consent in writing to act as Woman Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Smt Lakshmi Kumari as Woman Director of the Company who is liable to retire by rotation. Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

Brief profile along with other details of the Director is as under:

Name of the Director	Smt Lakshmi Kumari
DIN No.	07134683
Date of joining the Board	31.03.2015
Profile of the Director	Smt Lakshmi Kumari aged about 65 years, is graduate from Kanpur University and is self employed
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL

None of the Director or Key Managerial Personnel of the Company and/ or their relatives, except Smt Lakshmi Kumari in her personal capacity for whom the Resolution relates, is interested or concerned in the Resolution.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

#### ITEM NO. 5

The Articles of Association ("AoA") of the Company as presently in force were replaced in Annual General Meeting held on 21<sup>st</sup> September, 2011. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013. The Act is now largely in force on 1<sup>st</sup> April, 2014 several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft Articles of Association is being uploaded on the Company's website for perusal of the members.

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## SHREE BHAWANI PAPER MILLS LIMITED

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None of the Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.5 of the Notice.

The Board commends the Special Resolution set out at Item No.5 of the Notice for approval by the Members.

### **ITEM NO.6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor, Shri Rakesh Misra to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016 at a remuneration of Rs. 25000/- (Rupees twenty five thousand only) plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

REGISTERED OFFICE:  
33, DAYANAND MARG  
ALLAHABAD - 211002

DATED: 11<sup>th</sup> AUGUST, 2015

BY ORDER OF THE BOARD

BABITA JAIN  
COMPANY SECRETARY  
FCS 3824

# SHREE BHAWANI PAPER MILLS LIMITED

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## DIRECTORS' REPORT

We have pleasure in presenting our 36<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

### Performance

The working of the Company during the year under review has been highlighted below:

	<b>Year Ended</b> <b>31.03.2015</b>	15 Months Ended 31.03.2014
	<b>Rs. in Lacs</b>	Rs. in Lacs
Production (Tonnes)	<u>7499</u>	<u>32886</u>
Sales	<u>2828</u>	11961
Other Income	<u>81</u>	235
	<u>2909</u>	<u>12196</u>
Gross Profit/(Loss)	<u>-2583</u>	-1986
Less : Interest	<u>2056</u>	2406
Depreciation for the year	<u>912</u>	949
Profit Before Exceptional Items and Tax	<u>-5551</u>	-5341
Exceptional Items	<u>—</u>	1468
Profit for the year before Tax	<u>-5551</u>	-6809
Less : Provision for taxation	<u>—</u>	—
Profit / (Loss) after taxation	<u>-5551</u>	-6809
Profit / (Loss) brought forward from last year	<u>-14463</u>	-7654
Loss carried to Balance Sheet	<u>-20014</u>	-14463

### Operation & Reason for Losses

During the year under review, the Company has manufactured 7499 tons of paper with net sale of Rs.28.28 crores. In October, 2014, the Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 stopped the production on all the three paper machines of the Company. Due to which, the financial position further deteriorated due to Nil production in last five months of this financial year. Conditional clearance of the Pollution Board was received in March, 2015. The Company is exploring various avenues to infuse the funds for revival of the Company.

Regarding market scenario, we would like to inform, that, due to unrestricted duty free import of Newsprint, the price of Newsprint has gone down by nearly 10% during the year. The new plant set up is mainly for Newsprint and favorable market condition is a necessity to restart the plant. The Company is making all effort to comply with Pollution Control norms, which now required continuous online monitoring and investment.

### Compliance of Sick Industrial Companies (Special Provisions) Act, 1985

The Company has filed a Reference Application under Section 15 (1) of Sick Industrial Companies (Special Provisions)

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## SHREE BHAWANI PAPER MILLS LIMITED

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Act, 1985 (SICA) with Hon'ble BIFR which was registered as Case No. 29/2013. In the hearing held on 26th September, 2013, the Hon'ble BIFR declared the Company as 'Sick' u/s 3 (1) (o) of SICA and appointed Bank of Baroda as the Operating Agency (OA) u/s 17 (3) of the Act to prepare a Rehabilitation Scheme for the Company. The Company has submitted the Draft Rehabilitation Scheme (DRS) to Bank of Baroda (OA) and other stakeholders with a copy to Hon'ble BIFR. The last date of hearing was to be held on 24<sup>th</sup> April, 2014, was postponed sine die.

Indian Bank has sold its loan to the ARC M/s JM Financial Asset Reconstruction Company Pvt. Ltd who have filed miscellaneous application with Hon'ble BIFR substitution of its name in place of Indian Bank.

***The revival of the Company is dependent on approval of Draft Rehabilitation Scheme at the earliest.***

### **Share Capital**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was Rs. 34,82,72,240/-. During the year under review, the Company has not issued shares with differential voting right nor granted stock options or sweat equity.

### **Directors**

Shri Badri Vishal Tandon, Director, is retiring by rotation, being eligible for re-election, has given his consent for the same.

Pursuant to Sections 161 of the Companies Act, 2013, Smt Lakshmi Kumari (DIN: 07134683) was appointed as Additional Director by the Board in the category of Non-Executive Director who is liable to retire by rotation with effect from 31<sup>st</sup> March, 2015. Smt Lakshmi Kumari will hold the office up to the date of ensuing Annual General Meeting of the Company and is eligible, offers herself for re-appointment.

The Brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as stipulated under Clause 49 of the Listing Agreement, are furnished in the Annual Report.

Further, all independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. None of the Director is disqualified under Section 164 (2) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange.

### **Corporate Governance Code**

Your Company has complied with all the mandatory requirements of Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange forms an integral part of the Directors' Report.

The Statutory Auditors of the Company have examined the Company's compliance to the Code of Corporate Governance and have certified the same, as required under SEBI guidelines. The certificate is reproduced with Corporate Governance Report to the Members.

### **Management's Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is presented in a separate section forming part of the Annual Report.

### **Auditors and Auditor's Report**

#### **Statutory Auditors**

M/s. P.L.Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, retire from their Office at the conclusion of ensuing Annual General Meeting. They are, however, eligible for re-appointment and have furnished certificate to the effect that their appointment, if made, will be in accordance with the limits specified in Sub- Section (I-B) of Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment up to the conclusion of next annual general meeting.

### **Auditor's Qualification/ Remarks**

With regard to qualifications/ remarks in Auditor's report and Annexure thereto, (a) as mentioned in Note No. 41 of financial statements, the balances of some of the trade receivables, trade payables, lender and loans and advances are subject to confirmation/ reconciliation and subsequent adjustments, if any. Due to closure of the Plant, necessary verification has been delayed, however, the Management is of the view that there is no material adjustment in this regard.

With respect to qualification (b) as mentioned in Note No. 43 of financial statements, the Company became a sick industrial company within the meaning of Section 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a Sick Industrial Company by Hon'ble BIFR on 26<sup>th</sup> September, 2013. The Company has submitted the Draft Rehabilitation Scheme (DRS) to operating agency, Bank of Baroda. The Company has provided interest on Term Loan and other loans of Indian Bank and Bank of Baroda @ 10.50% with effect from 1<sup>st</sup> January, 2013 in accordance with Guidelines and Checklist for preparation of Draft Rehabilitation Scheme as provided by Hon'ble BIFR.

With respect to qualification (c) as mentioned in Note No. 29 of financial statements, the Company has not recognized additional net Deferred Tax Asset during the year. Net Deferred Tax Assets of Rs.14 crores was recognized for the year ended 31<sup>st</sup> March, 2012 based on the future profitability projections by the management. The financial statement has been drawn upon going concern assumption.

### **Cost Auditor**

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its paper activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Shri Rakesh Mishra, Cost Accountant, as Cost Auditor for auditing the cost accounts of the Company for the Financial Year 2015-16 at a remuneration of Rs.25,000/- (Rupees twenty five thousand only). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in the general meeting for ratification. Accordingly, a Resolution seeking member's ratification for the remuneration payable to Shri Rakesh Misra, Cost Auditor is included in the Notice convening the Annual General Meeting.

The Company has received a letter from him to the effect that his re-appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

### **Secretarial Auditor**

The Board of Directors of the Company have appointed M/s. Adesh Tandon & Associates, Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2014-15, in terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Report of the Secretarial Audit is annexed herewith as Annexure A and forms an integral part of this Report. The comments mentioned in Secretarial Audit Report are self explanatory.

### **Extract of Annual Return**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014, extract of Annual Return of the Company is annexed herewith as Annexure B in Form MGT-9 to this Report.

### **Particulars of Employees**

None of the Employee of the Company was in receipt of total remuneration of Rs.60,00,000/- during the financial year under review or Rs.5,00,000/- per month.

Information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure C and form an integral part of this Report.

### **Deposits**

The Company has not accepted any deposit under Section 73 or Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

### **Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo**

Particulars with respect to conservation of energy, technology absorption and foreign earnings and outgo pursuant to Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2015 are provided in Annexure D to this Report.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- I) that in the preparation of the annual accounts for the year ending 31<sup>st</sup> March, 2015 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- II) that such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2015 and of the profit or loss of the Company for that period;
- III) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV) that the annual financial statements for the year ending 31<sup>st</sup> March, 2015 have been prepared on a 'going concern' basis;
- V) that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- VI) that systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **Disclosures**

#### **Audit Committee**

The Audit Committee comprises of five Directors namely Shri Badri Vishal Tandon, non-executive non independent Director and four independent directors, namely Shri C.M. Krishna, Brig. (Retd.) Shri Rajeev Lochan Singh SC, Shri Saran Vinod and Shri Atul Seth. All the recommendations made by the Audit Committee were accepted by the Board.

#### **Particulars of Loans, Guarantees or Investments**

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

#### **Risk Management Policy**

In compliance of Clause 49 of the Listing Agreement, the Board of Directors has constituted a Risk Management Committee to monitor and review the risk management plan and apprised the Board about Risk Management framework, methodology for categorization of risk and mitigation plan and such other function as directed by Board from time to time. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy

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## SHREE BHAWANI PAPER MILLS LIMITED

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establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

### **Vigil Mechanism**

Pursuant to provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with stock exchange, the Company has adopted Vigil Mechanism of the Company, which also incorporates a whistle blower policy may be accessed on the Company's website at [www.shbhawani.com](http://www.shbhawani.com)

### **Unclaimed Dividend**

Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.

### **Contracts and Arrangements with related parties**

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.shbhawani.com](http://www.shbhawani.com)

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2 is annexed herewith as Annexure E.

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

### **Meetings of the Board**

Six meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance of this Annual Report.

### **Subsidiary and Associate Companies**

The Company does not have any Subsidiary / Associate Company.

### **Appointment Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key managerial Personnel, Senior Management and their remuneration. The appointment Policy is stated in the Corporate Governance Report and is available on website of the Company at [www.shbhawani.com](http://www.shbhawani.com)

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

### **Listing with Stock Exchange**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The annual listing fees for the financial year 2015-16 have been paid to the Bombay Stock Exchange.



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## SHREE BHAWANI PAPER MILLS LIMITED

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### **Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the sexual harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Till date, the Company has not received any complaint there under.

### **Acknowledgement**

The Directors would also like to record their appreciation to the members of staff and workers, who in spite of constraints have been working hard for the Company and are maintaining cordial relations.

### **FOR AND ON BEHALF OF THE BOARD**

**GIRISH TANDON  
MANAGING DIRECTOR**

**ALANKAR TANDON  
EXECUTIVE DIRECTOR**

**PLACE: ALLAHABAD  
DATED: 11<sup>th</sup> AUGUST, 2015**

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# SHREE BHAWANI PAPER MILLS LIMITED

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## Annexure A

**Adesh Tandon**  
**FCS, LLB, B COM, AAIMA**

**811, 8<sup>th</sup> Floor, Kan Chambers,**  
**14/113, Civil Lines,**  
**Kanpur – 208001 (UP)**

### **SECRETARIAL AUDIT REPORT** FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

**The Members,**  
**Shree Bhawani Paper Mills Limited**  
**33, Dayanand Marg,**  
**Allahabad - 211002**  
**Uttar Pradesh**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Bhawani Paper Mills Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31<sup>st</sup>, 2015, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shree Bhawani Paper Mills Limited** for the financial year ended on March 31<sup>st</sup>, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the Audit Period**)
- 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, 1992;
  - 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**)

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## SHREE BHAWANI PAPER MILLS LIMITED

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- 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 the client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on text check basis, the Company has complied the law applicable specifically to the Company named as under :
  - a. **The Boilers Act, 1923**
  - b. **The Explosives Act, 1884**

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India. **(Secretarial Standards although notified are not applicable to the Company during the period under Audit as they are effective from July 01, 2015)**
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:-**

The Board of Directors of the Company is duly 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

**We further report that:-**

There exist 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.

We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts/ Laws/ Regulations to the Company subject to following observations:-

Statutory dues towards the PF, Service Tax, Salary and Wages, ESI, Sales Tax, TDS, Wealth Tax etc. has not been paid.

**We further report that** during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.

## SHREE BHAWANI PAPER MILLS LIMITED

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- (iii) Any major decisions except the mortgage on the properties of the companies from banks and financial Institutions and setting a limit on borrowings beyond paid up capital and free reserves taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

**We further report that** the Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and same was declared sick by the Hon'ble BIFR on 26.09.2013 and Bank of Baroda was appointed as Operating Agency U/s 17(3) of the aforesaid Act. While declaring the sick various directions were issued inter alia with regard to Draft Rehabilitation Scheme and restraining disposal of assets without the leave of Hon'ble Bench/Board. The Rehabilitation Scheme has been submitted to the Operating Agency as well as ARC (Assets Reconstruction Company) which is pending approval. The working operations of the Company are suspended w.e.f. 31.10.2014.

**Date: 30<sup>th</sup> May, 2015**  
**Place: Kanpur**

**Adesh Tandon & Associates**  
**Company Secretaries**

**Adesh Tandon**  
**(Proprietor)**  
**FCS No: 2253**  
**C P No: 1121**

# SHREE BHAWANI PAPER MILLS LIMITED

## Annexure B

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management & Administration) Rules, 2014.)

## I REGISTRATION & OTHER DETAILS

i	CIN	L21015UP1979PLC004783
ii	Registration Date	06 <sup>th</sup> July, 1979
iii	Name of the Company	SHREE BHAWANI PAPER MILLS LIMITED
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	33, Dayanand Marg, Allahabad 211 002 Tel: 0532 2548404/2548406 Fax: 0532 2548425
vi	Whether Listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd. D-153 A, Okhla Industrial Area, Phase- I, NEW DELHI 110020 Tel: 011 26812682-83 / 30857575 (10 lines) Fax 011 30857562

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI No	Name & Description of main products/services	NIC Code of the Product /Service	% to total turnover of the Company
1	Uncoated Paper and Paper Board used for writing & printing purposes	17013	29.43
2	Newsprint in Rolls or Sheets	17012	70.56

## III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
	NIL				

**SHREE BHAWANI PAPER MILLS LIMITED**

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	20901238	—	20901238	60.01	20901238	—	20901238	60.01	
b) Central Govt. or State Govt.	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	3280143	—	3280143	9.42	3280143	—	3280143	9.42	
d) Bank/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL:(A) (1)</b>	<b>24181381</b>	<b>—</b>	<b>24181381</b>	<b>69.43</b>	<b>24181381</b>	<b>—</b>	<b>24181381</b>	<b>69.43</b>	
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI- Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>24181381</b>	<b>—</b>	<b>24181381</b>	<b>69.43</b>	<b>24181381</b>	<b>—</b>	<b>24181381</b>	<b>69.43</b>	<b>—</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	1400	1400	0.00	—	1400	1400	0.00	—
c) Central Govt/ State Govt	—	—	—	—	—	—	—	—	—
d) Venture Capital Fund	—	—	—	—	—	—	—	—	—
e) Insurance Companies	—	—	—	—	—	—	—	—	—
f) FII	—	—	—	—	—	—	—	—	—
g) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
h) Others (specify)	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (B)(1):</b>	<b>—</b>	<b>1400</b>	<b>1400</b>	<b>0.00</b>	<b>—</b>	<b>1400</b>	<b>1400</b>	<b>0.00</b>	<b>—</b>
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	3825576	13650	3839226	11.02	3650509	12900	3663409	10.52	-0.50
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lacs	1668218	291017	1959235	5.63	1663766	286083	1949849	5.60	-0.03

## SHREE BHAWANI PAPER MILLS LIMITED

ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lacs	4517449	—	4517449	12.97	4617217	—	4617217	13.26	0.29
c) Others (specify)									
NRIs	12026	200	12226	0.04	12026	200	12226	0.04	—
Hindu Undivided Family	315757	—	315757	0.91	401742	—	401742	1.15	0.24
Clearing Members/ House	550	—	550	0.00	—	—	—	—	—
<b>SUB TOTAL (B)(2):</b>	<b>10339576</b>	<b>304867</b>	<b>10644443</b>	<b>30.57</b>	<b>10345260</b>	<b>299183</b>	<b>10644443</b>	<b>30.57</b>	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>10339576</b>	<b>306267</b>	<b>10645843</b>	<b>30.57</b>	<b>10345260</b>	<b>300583</b>	<b>10645843</b>	<b>30.57</b>	<b>—</b>
<b>C. Shares held by Custodian fo GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>34520957</b>	<b>306267</b>	<b>34827224</b>	<b>100.00</b>	<b>34526641</b>	<b>300583</b>	<b>34827224</b>	<b>100.00</b>	<b>—</b>

### (ii) Shareholding of Promoters

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	KIRAN GOENKA	1740000	5.00	—	1740000	5.00	—	—
2	MEENU TANDON	287400	0.83	—	287400	0.83	—	—
3	CHAVI TANDON	112999	0.32	—	112999	0.32	—	—
4	ALANKAR TANDON	248000	0.71	—	248000	0.71	—	—
5	NEERA TANDON	949398	2.73	—	949398	2.73	—	—
6	AKSHAT TANDON	1017875	2.92	—	1017875	2.92	—	—
7	BADRI VISHAL TANDON	246998	0.71	—	246998	0.71	—	—
8	SULOCHANI DEVI TANDON	280399	0.81	—	280399	0.81	—	—
9	BADRI VISHAL TANDON	212697	0.61	—	212697	0.61	—	—
10	GAURAV TANDON	999198	2.87	—	999198	2.87	—	—
11	ALANKAR TANDON	106699	0.31	—	106699	0.31	—	—
12	BADRI VISHAL TANDON	261050	0.75	—	261050	0.75	—	—
13	GIRISH TANDON	395350	1.14	—	395350	1.14	—	—
14	BADRI VISHAL TANDON	356248	1.02	—	356248	1.02	—	—
15	BADRI VISHAL TANDON	52000	0.15	—	52000	0.15	—	—
16	GIRISH TANDON	343449	0.99	—	343449	0.99	—	—
17	BADRI VISHAL TANDON	295149	0.85	—	295149	0.85	—	—
18	BADRI VISHAL TANDON	3661347	10.51	—	3661347	10.51	—	—
19	PARIDHI TANDON	99999	0.29	—	99999	0.29	—	—
20	ALANKAR TANDON	579100	1.66	—	579100	1.66	—	—

## SHREE BHAWANI PAPER MILLS LIMITED

21	SURABHI MEHRA	99999	0.29	—	99999	0.29	—	—
22	ELA TANDON	50060	0.14	—	50060	0.14	—	—
23	DAMINI TANDON	48000	0.14	—	48000	0.14	—	—
24	OMPRAKASH GOENKA	4693224	13.48	—	4693224	13.48	—	—
25	GAURAV O GOENKA	1740000	5.00	—	1740000	5.00	—	—
26	GIRIJA GAURAV GOENKA	1740000	5.00	—	1740000	5.00	—	—
27	GIRISH TANDON	284600	0.82	0.82	284600	0.82	0.82	—
28	MIRAH DEKOR LTD	2649033	7.61	—	2649033	7.61	—	—
29	SAHITYA BHAWAN PVT LTD	233460	0.67	—	233460	0.67	—	—
30	ELECTRA LOGISTICS PVT LTD	194250	0.56	—	194250	0.56	—	—
31	ALANKAR UDYOG PVT LTD	203400	0.58	—	203400	0.58	—	—
	TOTAL	24181381	69.44	0.82	24181381	69.43	0.82	—

### (iii) Change in Promoter's Shareholding ( Specify if there is no Change )

Sl. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	At the beginning of the year	No Change during the year			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	No Change during the year			
	At the end of the year	No Change during the year			

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ganges Leasing and Finance Company Limited	1500000	4.31	1500000	4.31
2	Competent Finanacial Services Limited	1450000	4.16	1450000	4.16
3	Bina Chaturvedi	650000	1.87	650000	1.87
4	Mohit Chaturvedi	650000	1.87	650000	1.87
5	Sangeetha S	612935	1.76	612935	1.76
6	Vinod Chandra Mansukhlal Parekh	364499	1.05	364499	1.05
7	S Sathya	309690	0.89	309690	0.89
8	B M Chaturvedi Financial & Strategic Services Private Limited	250000	0.72	250000	0.72
9	Ketan H Mehta	208650	0.60	308650	0.89
10	Culair (India) Private Limited	180265	0.52	—	—
11	Pranav Kumarpal Parekh	174504	0.50	174504	0.50



**SHREE BHAWANI PAPER MILLS LIMITED**

**(v) Shareholding of Directors & Key Managerial Personnel**

Sl. No	Name of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Shri Girish Tandon (I)</b>				
	At the beginning of the year	284600	0.82	284600	0.82
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	—	—	—	—
	At the end of the year	284600	0.82	284600	0.82
2	<b>Shri Alankar Tandon (I)</b>				
	At the beginning of the year	248000	0.71	248000	0.71
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	248000	0.71	248000	0.71
3	<b>Shri Badri Vishal Tandon (I)</b>				
	At the beginning of the year	246998	0.71	246998	0.71
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	At the end of the year	246998	0.71	246998	0.71
4	<b>Shri Saran Vinod</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
5	<b>Shri C M Krishna</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
6	<b>Shri Atul seth</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
7	<b>Brig.(Retd) Shri Rajeev Lochan Singh SC</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year				

## SHREE BHAWANI PAPER MILLS LIMITED

8	<b>Smt Lakshmi Kumari</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
9	<b>Shri R M Pandey</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
10	<b>Smt Babita Jain</b>				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—

### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1540065274	506529006	—	2046594280
ii) Interest due but not paid	321173087	—	—	321173087
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	1861238361	506529006		2367767367
<b>Change in Indebtedness during the financial year</b>				
Additions	—	50291078	—	50291078
Reduction	—	—	—	—
<b>Net Change</b>	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1540065274	556820087	—	2096885361
ii) Interest due but not paid	524090217	—	—	524090217
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	2064155491	556820087		2620975578

## SHREE BHAWANI PAPER MILLS LIMITED

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time director and/or Manager

SI No	Particulars of Remuneration	Shri Girish Tandon Managing Director	Shri Alankar Tandon Executive Director	Total amount (Rs in lacs)
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act 1961.	18.00	18.00	36.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—	—
2	Stock option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit	—	—	—
5	Others, please specify	—	—	—
	<b>Total (A)</b>	18.00	18.00	36.00
	<b>Ceiling as per the Act</b>	18.00	18.00	36.00

#### B. Remuneration to other Directors

SI.No	Particulars of Remuneration	Name of the Directors				
		Shri C M krishna	Brig. Retd. Shri R L Singh SC	Shri Atul Seth	Shri Saran Vinod	Total Amount (Rs.)
1	<b>Independent Directors</b>					
	(a) Fee for attending Board Committee Meetings	17000	34000	20500	42500	114000
	(b) Commission	—	—	—	—	—
	(c) Others, please specify	—	—	—	—	—
	<b>Total (1)</b>	17000	34000	20500	42500	114000

2	Other Non Executive Directors	Shri Badri Vishal Tandon	Smt Lakshmi Kumari*	Total Amount (Rs)
		(a) Fee for attending Board Committee Meetings	58000	—
	(b) Commission	—	—	—
	(c) Others, please specify.	—	—	—
	<b>Total (2)</b>	58000	—	58000
	<b>Total (1+2)</b>			172000

\* Appointed on 31.03.2015

## SHREE BHAWANI PAPER MILLS LIMITED

### B. Remuneration to key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961.	746854	685800	1432654
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	as % of profit	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	746854	685800	1432654

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

**Annexure C**

**Details pertaining to Remuneration**

*As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl.No.	Name of the Director/ KMP and Designation	Remuneration of Director /KMP for financial year 2014-15 (Rs. in lacs)	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Shri Girish Tandon Managing Director	18.00	-37.68	16.07	
2	Shri Alankar Tandon Executive Director	18.00	-24.55	16.07	
3	Shri Roop Mani Pandey Chief Financial Officer	6.86	1.63	6.13	
4	Smt. Babita Jain Company Secretary	7.47	2.05	6.67	

*Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.*

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 1.12 lacs p.a;
- (iii) In the financial year, there was an increase of 3% in the median remuneration of employees;
- (iv) There were 402 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2015;
- (v) Relationship between average increase in remuneration and Company performance.  
While increase in the remuneration, consideration was given to cost of living and inflation as the Company is incurring severe losses.

**Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs.60,00,000/- per annum.**

NIL

**Employed for a part of the financial year , were in receipt of remuneration at the rate of not less than Rs.5,00,000/- per month.**

NIL

Remuneration for this purpose has been calculated on actual receipt basis and excludes any benefit accrued but not paid.

# SHREE BHAWANI PAPER MILLS LIMITED

## Annexure D

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

#### CONSERVATION OF ENERGY

- (a) More efficient boiler furnace cleaning equipment has been installed for efficient heat transfer and reduction in down time of boiler.
- (b) Soot blower has been installed in the new high pressure boiler resulting in reduced down time of boiler.
- (c) Variable frequency drives have been installed on some higher rating motors to economise the power consumption.
- (d) Ceramic drainage elements have been installed on higher capacity paper machine, which has reduced load & thereby power consumption
- (e) To reduce steam consumption, thermo compressor has been installed. Steam audit is being carried out to plug the leakages.
- (f) The Company is augmenting pulp from Waste Paper Deinking plant which will further reduce the power consumption per unit of production.

#### A. Power and Fuel Consumption

##### 1. Electricity

	Current Year Ended 31.03.2015	Previous Period Fifteen Months Ended 31.03.2014
<b>(a) Purchased Units (KWH in lacs)</b>	<b>59.38</b>	139.95
Total Amount (Rs. in lacs)	<b>510.86</b>	1055.09
Rate/Unit (Rs.)	<b>8.60</b>	7.54
<b>(b) Own Generation</b>		
Through Diesel Generators		
Units (KWH in Lacs)	<b>0.00</b>	0.05
Units per litre of diesel oil	<b>0.00</b>	3.00
Diesel (Rs./Litre)	<b>0.00</b>	51.42
Rate/Unit (Rs)	<b>0.00</b>	17.14
Through Steam Turbine		
Units (KWH in Lacs)	<b>43.29</b>	234.47
Units per Tonne of Fuel	<b>358</b>	376
Rate/Unit(Rs.)	<b>12.35</b>	10.01
<b>2. Paddy Husk</b>		
Quantity (Tonnes)	<b>11945</b>	56924
Total Cost (Rs. in Lacs)	<b>366.83</b>	1822.57
Average Rate (Rs./Tonne)	<b>3071</b>	3202

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## SHREE BHAWANI PAPER MILLS LIMITED

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### B. Consumption Per Unit Production

Production (Tonnes)	7499	32886
Electricity* (Units/Tonne)	1369	1139
Paddy Husk**(Tonnes/Tonne)	2.32	2.36

\* Inclusive of consumption for operation of Power House.

\*\* Paddy Husk is used as fuel for producing steam which is used for Paper manufacturing and Power Generation.

### II. TECHNOLOGY ABSORPTION

The required particulars in with respect to technology absorption are as under:

#### Research and Development (R & D)

1. R & D activities are carried out on continuous basis to improve process parameters, to save cost and / or better productivity.
2. For future, it is planned to carry out R&D in various areas of Mills to further improve the working on restart of production.

#### Expenditure in R&D:

(a) Capital	:	NIL (Previous Year Rs. NIL)
(b) Recurring	:	NIL (Previous Year Rs. NIL)
(c) Total	:	NIL (Previous Year Rs. NIL)
(d) Total R&D Expenditure as a %age of total turnover	:	NIL (Previous Year Rs. NIL)

#### Technology Absorption, Adoption and Innovation

##### 1. Efforts

Suitable steps are being taken in the Waste Paper Deinking Plant to reduce chemicals and energy consumption, as well as to improve quality of finished products.

##### 2. Benefits

The new plant has stabilized only in March 2008 and hence benefits will accrue on utilization of optimum capacity.

##### 3. Imported technology (Imported during the last 5 years): NIL

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. We have been exporting paper to Nepal, Middle East countries and will explore the export market for MG Paper on restart of production.
2. Foreign Exchange earnings and outgo.

Foreign exchange earnings during the year were Rs. NIL (Previous Period Rs. 149.51 lacs) and total foreign exchange outgo during the year amounted to about Rs.337.46 lacs (Previous Period Rs. 1163.68 lacs) on account of import of raw materials, stores & spares.

## **Annexure E**

### **Form No. AOC – 2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/ arrangements/ transactions
- (c) Duration of contracts/ arrangements/ transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.

**2. Details of material contracts or arrangements or transactions at arm's length basis Nil**

- (a) Name (s) of the related party and nature of relationship
- (b) Nature of contracts/ arrangements/ transactions
- (c) Duration of contracts/ arrangements/ transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Date(s) of approval by the Board, if any
- (f) Amount paid as advances, if any



## **CORPORATE GOVERNANCE REPORT**

### **Corporate Governance**

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value & discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, employees etc.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, which came into effect from 1<sup>st</sup> October, 2014. The provisions of Clause 49 have been implemented in a manner so as to achieve the objectives of Corporate Governance. In accordance with the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Report containing the details of corporate governance systems processes of the Company for the year ended 31<sup>st</sup> March 2015 as follows:

### **Company's Philosophy on Code of Governance**

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. Your Company is committed to attain highest standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvements of internal controls and sound investor relations. The Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. It is believed that adherence to business ethics and commitment to corporate social responsibility would help the Company to achieve its goal of maximizing value for all its stakeholders.

### **Board of Directors**

The composition of the Board, attendance of the Board Meeting held during the year and at the last Annual General Meeting, number of directorships in other companies and committees as on 31<sup>st</sup> March, 2015 are given below:

Name of the Director	Category	No. of outside directorship held	No. of Committee Membership/ Chairmanship	No. of Board Meetings		Attended Last AGM
				Held	Attended	
Shri Girish Tandon Managing Director DIN:0109528	Promoter Executive	1	1	6	6	Yes
Shri Alankar Tandon Executive Director DIN: 0110512	Promoter Executive	2	1	6	6	Yes
Shri Badri Vishal Tandon DIN: 0108408	Non-Independent Non-Executive	1	2	6	6	Yes
Shri C M Krishna DIN: 0109574	Independent Non-Executive	—	3	6	2	No
Brig.(Retd.) R.L.Singh SC DIN: 02237679	Independent Non-Executive	—	2	6	4	No
Shri Atul Seth DIN: 01083740	Independent Non-Executive	1	2	6	2	No

## SHREE BHAWANI PAPER MILLS LIMITED

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Shri Saran Vinod DIN: 06548248	Independent Non-Executive	—	2	6	5	Yes
Smt Lakshmi Kumari* DIN: 07134683	Non-Executive Woman Director	—	—	—	—	—

\*Appointed on 31<sup>st</sup> March, 2015

The Company's Board comprises individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, finance and accounting. All Board Members have a significant business experience. The Board Members are fully aware of their roles and responsibilities in the discharge of the key functions. The Board Members strive to meet the expectations of operational transparency to stakeholders, whilst simultaneously maintaining confidentiality of information to the extent required.

The Board of Directors of the Company have an optimum combination of executive and non-executive Directors and independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring wide range of skills and experience to the Board. The non-executive Directors constitute more than half of the total numbers of Directors and the numbers of Independent Directors are also half of the total strength. The Board of the Company comprises eight Directors - two Executive Directors and six Non-Executive Directors, of whom four are Independent Directors. The current strength of the Board includes one Woman Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Director.

The independent Directors of the Company, pursuant to Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Bombay Stock Exchange, have made declaration to the Company in prescribed format regarding their independence status.

Six Board Meetings were held during the year i.e. on 30<sup>th</sup> May, 2014, 14<sup>th</sup> August, 2014, 26<sup>th</sup> September, 2014, 14<sup>th</sup> November, 2014, 14<sup>th</sup> February, 2015 and 31<sup>st</sup> March, 2015.

Presently, the day-to-day operations of the Company are entrusted with Managing Director and Executive Director of the Company subject to superintendence, control and direction of the Board of Directors.

Shri Badri Vishal Tandon, Director of the Company, is retiring by rotation and has given his consent for the same.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Smt Lakshmi Kumari (DIN:07134683) as Woman Director of the Company who is liable to retire by rotation. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing candidature of Smt Lakshmi Kumari as Director of the Company liable to retire by rotation.

Information as to brief Directors' profile is provided elsewhere in the Report.

### **Board Familiarisation Programme**

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013 and Clause 49 of the Listing Agreement and other relevant regulations.

At various Board meeting during the year, quarterly presentations are made on operations that include information on business performance, operations, project, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances etc.

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## SHREE BHAWANI PAPER MILLS LIMITED

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With a view to familiarize him / her with the Company's operations, the Managing Director/ Executive Director has a personal discussion with the Directors. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/ her to effectively fulfill his/ her role as a Director of the Company.

### **Audit Committee**

The Audit Committee of the Company presently comprises of five non-executive Directors out of which four are independent. The composition of Audit Committee and record of attendance during the year under review is given below:

<b>Name of the Director</b>	<b>No. of Meetings held</b>	<b>No. of Meeting attended</b>
Shri Badri Vishal Tandon	4	4
Brig.(Retd) R. L. Singh SC	4	3
Shri C M Krishna	4	2
Shri Atul Seth	4	2
Shri Saran Vinod	4	4

The Company Secretary shall act as Secretary of the Audit Committee.

The Audit Committee has been mandated with the same terms of reference as specified in amended Clause 49 of the Listing Agreement with Bombay Stock Exchange. The Committee reviews various areas of Audit and Accounts. All important financial statements such as periodical unaudited/audited results, operating statements are reviewed/ approved by the Committee before submission to the Board. Brief terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for Appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to Board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and marking appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;

## SHREE BHAWANI PAPER MILLS LIMITED

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8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud of irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions submitted by the management;
  - c. Management letter/letters of internal control weaknesses issued by the Statutory Auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

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## SHREE BHAWANI PAPER MILLS LIMITED

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### Managerial Remuneration

#### Nomination and Remuneration Committee

The Remuneration Committee of the Company presently comprises of four Independent non-executive Directors. The composition of Remuneration Committee and record of attendance during the year under review is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri C M Krishna	1	—
Brig.(Retd) R. L. Singh SC	1	1
Shri Saran Vinod	1	1
Shri Atul Seth	1	1

The Company Secretary shall act as Secretary of the Nomination and Remuneration Committee.

In compliance of Section 178 of the Companies Act, 2013 and Listing Agreement, the existing Remuneration Committee has been renamed as Nomination and Remuneration Committee. The broad terms of reference to the Committee as under:

- i) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- ii) To carry out evaluation of every Director's performance;
- iii) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- iv) To formulate the criteria for evaluation of Independent Directors and the Board;
- v) To devise a policy on Board diversity;
- vi) To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria;
- vii) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
- viii) To perform such other functions as may be necessary or appropriate for the performance of its duties.  
At present, no remuneration is paid to non-executive Directors except sitting fees for attending the Meetings of the Board or Committee thereof. The remuneration paid to executive directors is decided by the Board of Directors within the limits laid down under the provisions of the Companies Act, 2013 subject to approval of the members, in general meeting.

The detailed Appointment Policy adopted by the Company is being pasted on website of the Company [www.shbhawani.com](http://www.shbhawani.com)

#### Details of Remuneration paid to Executive Directors

The aggregate value of salary and perquisites paid from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 to Shri Girish Tandon, Managing Director, is Rs.18.00 lacs and Shri Alankar Tandon, Executive Director is Rs. 18.00 lacs with approval of Central Government vide their Letter No.SRN/B76144278/ 3/2013-CL-VII and SRN/ B76151513/3/2013-CL-VII both dated 27<sup>th</sup> February, 2014.

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## SHREE BHAWANI PAPER MILLS LIMITED

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### Sitting Fee paid to Non-Executive Directors

Remuneration by way of sitting fees for attending the Meeting of the Board/Committee's thereof from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 is given below:

Sl.No.	Name of Director	Amount (Rs.)
1.	Shri Badri Vishal Tandon	58000.00
2.	Shri C M Krishna	17000.00
3.	Brig.(Retd) R. L. Singh SC	34000.00
4.	Shri Saran Vinod	42500.00
5.	Shri Atul Seth	20500.00

### Stakeholders Relationship Committee

The Investors' Grievance Committee of the Company comprises of following four Directors:

Shri Badri Vishal Tandon, Chairman  
Shri C M Krishna  
Shri Girish Tandon  
Shri Alankar Tandon

In compliance of Section 178 of the Companies Act, 2013 and Listing Agreement with Bombay Stock Exchange, the existing Investor Grievance Committee has been renamed as Stakeholders Relationship Committee. The said Committee would also recommend measures for overall improvement of quality of Investors Services. The broad terms of reference to the Committee as under:

- i) Oversee and review all matters connected with the transfer of the Company's securities
- ii) Approve issue of the Company's duplicate share certificates;
- iii) Monitor redressal of investors'/ shareholders'/ security holders' grievances;
- iv) Oversee the performance of the Company's Registrars and Transfer Agents;
- v) Recommend methods to upgrade the standard of services to investors;
- vi) Monitor implementation of the Company's Code of Fair Disclosure and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders;
- vii) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Committee keep watch on the performance of the share transfer work and recommends measures to improve the investors' services. The Committee looks into the redressal of investors' complaint like share transfer, non receipt of Annual Report, dividend payment, issue of duplicate shares, transmission of shares and all other allied transactions. The Committee had delegated the power of share transfer to Smt. Babita Jain, Company Secretary, who is also designated as the Compliance Officer and M/s. Skyline Financial Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company to attend the share transfer formalities thrice a month to expedite the process of share transfer and transmission, etc in compliance of Clause 49 (IV) G of the Listing Agreement with Bombay stock Exchange. They meet quite often to expedite all the matter relating to transfer of shares etc.

Outstanding complaints as on 31<sup>st</sup> March, 2015 - NIL

Number of share transfer pending as on 31<sup>st</sup> March, 2015 - NIL

During the year, the Stakeholders Relationship Committee had four Meetings.

# SHREE BHAWANI PAPER MILLS LIMITED

## Independent Directors Meeting

During the year, the Independent Directors met on 14<sup>th</sup> February, 2015 to:

- i) Review the performance of Non-Independent Directors and the Board as a whole.
- ii) Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- iii) Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is, necessary for the Board to effectively and reasonably perform their duties.

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

## Details of Shareholding of Directors as on 31<sup>st</sup> March, 2015

Sl. No.	Name of Director	No. of Shares held
1	Shri Girish Tandon(I)	*284600
2.	Shri Alankar Tandon (I)	248000
3.	Shri Badri Vishal Tandon (I)	246998
4.	Shri C M Krishna	NIL
5.	Brig. (Retd.) Shri R.L.Singh SC	NIL
6.	Shri Saran Vinod	NIL
7.	Shri Atul Seth	NIL
8.	Smt Lakshmi Kumari	NIL

\* Shri Girish Tandon, Managing Director, has pledged his shares in favour of bankers of the Company as collateral security for sanction of term loan facilities to the Company.

## General Body Meetings

Location and time of the four Annual General Meetings as under:

Year	Location	Date	Time
<b>2011-12 AGM</b>	Conference Hall, Hotel Elchico, 24, M.G. Marg Civil Lines, Allahabad	28.09.2012	11.30 AM
<b>2012-13 AGM</b>	Regd. Off: 33, Dayanand Marg, Allahabad-211002	28.06.2013	11.30 AM
<b>2013-14 AGM</b>	Regd. Off: 33, Dayanand Marg, Allahabad-211002	26.09.2014	11.30 AM
<b>2014-15 AGM</b>	Regd. Off: 33, Dayanand Marg, Allahabad-211002	30.09.2015	11.30 AM

No Special Resolution was put through Postal Ballot in last years, nor has any been proposed for this year

## Book Closure

24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (Both days inclusive)

### **Code of Conduct**

The Code of Conduct for the Directors and the senior management of the Company have been laid down by the Board and the same is posted on the website of the Company [www.shbhawani.com](http://www.shbhawani.com).

The Company has obtained from all Board members and senior management affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2014-15. A declaration signed by Managing Director about affirmation of Code of Conduct by Board Members and Senior Management Personnel is as follows:

#### **Declaration by Managing Director**

**Sub: Code of Conduct – Declaration under Clause 49 of Listing Agreement**

This is to certify that:

1. In pursuance of the provisions of Clause 49 of the Listing Agreement, a Code of Conduct has been adopted by the Board of Directors of the Company.
2. The said Code of Conduct has been posted on the website of the Company and has been circulated to all the Board members and the employees of the Company.
3. All board members and senior management personnel have affirmed compliance with said Code of Conduct, for the year ended 31<sup>st</sup> March, 2015.

Place : Allahabad  
Dated : 11<sup>th</sup> August, 2015

Sd/-  
Girish Tandon  
Managing Director

### **Disclosures**

**A. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.**

The details of the related party transactions during the year in terms of Accounting Standard AS-18 have been set out under Note 31 of the Notes forming part of financial statements. However, the Company has not entered into any transaction of material nature with the Promoters, Directors and Management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company.

**B. Disclosure of accounting treatment in preparation of Financial Statements**

The Company follows the accounting standards and guidelines laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. No material financial and commercial transactions were reported by the management to the Board, in which the management had any personal interest that either had or could have had a material conflict with the interest of the Company at large. There were no transactions with the Directors or Management, their associates or their relatives etc. that either had or could have had a conflict with the interest of the Company at large.

**C. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of this Annual Report.

**D. Details of non-compliance by the Company**

The Company has complied with various Rules and Regulations prescribed by Stock Exchanges, Securities and Exchange Board of India and other Statutory Authorities relating to capital markets during the last three years. The Company is in receipt of SEBI Adjudication Order No ASK/RGA/AO/38/2014-15 dated 31.07.2014 under Rule 4 of SEBI (Procedure of Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995 from Securities and Exchange Board of India which relates to 2 days and 5 days delay in submitting



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## SHREE BHAWANI PAPER MILLS LIMITED

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annual return under Rule 8(3) of SAST Regulations, 1997 in the year 1998 and 2001 imposed a penalty of Rs 25000/- ( Rupees twenty five thousand only). The Company has filed an appeal before Hon'ble Securities Appellate Tribunal.

**E. Details of Compliance with mandatory requirements**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement of Bombay Stock Exchange. The Company has submitted the quarterly compliance report to the stock exchanges within the prescribed time limit.

**F. Vigil Mechanism /Whistle Blower Policy**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the code of conduct. The detailed policy is available on Company website [www.shbhawani.com](http://www.shbhawani.com)

**G. CEO/CFO Certificate under Clause 49 of the Listing Agreement**

In terms of the requirements of Clause 49 of the Listing Agreement, Executive Director and Chief Financial Officer has submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 30<sup>th</sup> May, 2015.

**H.** The Board of Directors is apprised about Risk Management framework, methodology for categorization of risk and mitigation plan.

**I.** The Auditors of the Company have issued necessary certificate pursuant to Clause 49 of the Listing Agreement and the same is reproduced and forms the part of the Annual Report.

**Means of Communication**

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchange immediately after these are taken on record by the Board. These financial results are normally published in daily newspapers.

Shareholding Pattern, Quarterly Results and Annual Report are sent to the Bombay Stock Exchange, where the securities of the Company are listed, within stipulated period. These are also displayed on the website of the Company [www.shbhawani.com](http://www.shbhawani.com)

**General Shareholders Information**

**Annual General Meeting**

Date & Time : 30<sup>th</sup> September, 2015, 11.30 AM  
Venue : Regd. Office: 33, Dayanand Marg, Allahabad-211002

**Listing**

Bombay Stock Exchange Ltd.  
Phiroze JeeJee bhoy Tower  
Dalal Street  
Mumbai

The Listing Fee for the financial year 2015-16 has been paid to the Bombay Stock Exchange Ltd., Mumbai.

**Scrip Code with BSE**

502563

**ISIN Number on NSDL & CDSL**

ISIN INE 688 C 01010

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## SHREE BHAWANI PAPER MILLS LIMITED

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### Unclaimed Dividend

Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.

### Registrar & Share Transfer Agent

Skyline Financial Services Pvt.Ltd.  
D-153 A, Okhla Industrial Area, Phase - I,  
NEW DELHI 110020

Phone : 011 26812682-83

Fax : 011 26812684

### Share Transfer System

Share transfer in physical form can be lodged with Skyline Financial Services Pvt. Ltd. at their above mentioned address. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Company Secretary and Registrar are empowered to approve the transfer of shares. Grievances received from members and other miscellaneous correspondence on change of address, mandates etc are processed by Registrar within 10 to 15 days.

### Distribution of Shareholding as on 31.03.2015

No. of Shares	No. of Shareholders	%age	No. of Shares	%age
Up to 500	2137	68.23	417531	1.20
501-1000	427	13.63	356466	1.02
1001-5000	398	12.71	923871	2.65
5001-10000	69	2.20	469889	1.35
10001 & above	101	3.23	32659467	93.78
	<b>3132</b>	<b>100.00</b>	<b>34827224</b>	<b>100.00</b>

### Shareholding Pattern of Equity Shares as on 31.03.2015

Category	No. of Shares	% age of Shareholding
Promoter's Holding (Including person acting in concert)	24181381	69.43
Institutional Investors	1400	0.01
Private Corporate	3663409	10.52
NRIs	12226	0.04
Indian Public	6968808	20.00
	<b>34827224</b>	<b>100.00</b>

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## SHREE BHAWANI PAPER MILLS LIMITED

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### Top Ten Shareholders as on 31.03.2015

Sl. No.	Name of the Shareholder	Number of Shares held	% of Total Equity
1	Ganges Leasing & Finance Company Ltd	1500000	4.31
2	Competent Financial Services Pvt Ltd	1450000	4.16
3	Bina Chaturvedi	650000	1.87
4	Mohit Chaturvedi	650000	1.87
5	Sangeetha S	612935	1.76
6	Vinod Chandra Mansukhlal Parekh	364499	1.05
7	S Sathya	309690	0.89
8	Ketan H Mehta	308650	0.89
9	B M Chaturvedi Financial & Strategic Services Pvt Limited	250000	0.72
10.	Pranav Kumarpal Parekh	174504	0.50

### Dematerialisation of Shares

As on 31<sup>st</sup> March, 2015, 99.14% i.e, 34526641 equity shares of Company's share capital are dematerialized and balance of 300583 shares are held in physical form. In order to facilitate the investors to have an easy access to demat system, the Company has joined with both depositories viz. National security Depository Limited (NSDL) and Central Depository Services (India) Ltd.(CDSL) through the Company's Registrar & Share Transfer Agent, Skyline Financial Services Pvt. Ltd., New Delhi.

### Books of Accounts

The books of accounts of the Company are kept at the Mills office at Raebareli.

### Outstanding ADRs, GDRs, Warrant or any Convertible Instruments etc. NIL

### Plant Location

The paper plant of the Company is situated at Industrial Area I, Sultanpur Road, Raebareli 229010

### Registered Office

33, Dayanand Marg, Allahabad 211002

### Address for correspondence

To contact R &TA for all matters relating to Shares, Dividends, Annual Reports

Skyline Financial Services Pvt. Ltd.  
D-153 A, Okhla Industrial Area, Phase - I,  
New Delhi 110020  
Phone : 011 26812682-83 / 30857575 (10 lines)  
Fax : 011 30857562

For any other general matters or in case of any difficulties/ Grievances

Company Secretary  
Shree Bhawani Paper Mills Ltd.  
33, Dayanand Marg, Allahabad 211002  
Email: babitajain@shbhawani.com  
Tel: 0532 2548404/2548406  
Fax: 0532 2548425

### Website of the Company

[www.shbhawani.com](http://www.shbhawani.com)

## SHREE BHAWANI PAPER MILLS LIMITED

### Brief Profile of Board of Directors

Brief profiles along with other details of the Board of Directors are as follows:

Name of the Director	<b>Shri Girish Tandon, Managing Director</b>
DIN No	0109528
Date of joining the Board	06.07.1979
Profile of the Director	Shri Girish Tandon, aged about 64 years, is MBA from Allahabad University and has more than 37 years experience with the Paper Industry. He started his carrier in publication business and promoted Shree Bhawani Paper Mills Ltd. He has been a Director of the Company since its inception i.e 1979. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	284600
Directorship and Committee Membership in other Companies	Director in Alankar Udyog Pvt. Ltd., Allahabad
Relationship with other Directors	Brother of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company.

Name of the Director	<b>Shri Alankar Tandon, Executive Director</b>
DIN No	0110512
Date of joining the Board	28.04.2008
Profile of the Director	Shri Alankar Tandon, aged about 44 years, is Commerce graduate and having more than 14 years experience in capital market and finance business and 7 years experience in paper industry. He has been Executive Director of the Company since 2008. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	248600
Directorship and Committee Membership in other Companies	Director in Alankar Udyog Pvt. Ltd., Allahabad and Sahitya Bhawan Pvt Ltd, Allahabad
Relationship with other Directors	Son of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company

Name of the Director	<b>Shri Badri Vishal Tandon</b>
DIN No	0108408
Date of joining the Board	06.07.1979
Profile of the Director	Shri Badri Vishal Tandon, aged about 66 years, is a Law Graduate and has more than 42 years of experience as Advocate High Court, Allahabad. He has special expertise in tax matters. He has been a Director of the Company since inception and is also a member of Audit Committee and Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	246998
Directorship and Committee Membership in other Companies	Director in Sahitya Bhawan Pvt.Ltd., Allahabad.
Relationship with other Directors	Elder Brother of Shri Girish Tandon, Managing Director, and Father of Shri Alankar Tandon, Executive Director and Shareholder of the Company.

## SHREE BHAWANI PAPER MILLS LIMITED

Name of the Director	<b>Shri Saran Vinod</b>
DIN No	06548248
Date of joining the Board	18.03.2014
Profile of the Director	Shri Saran Vinod, aged about 64 years, is graduate from Lucknow University and has wide and varied experience in Sugar Industry. He is also a member of Audit Committee and Nomination & Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

Name of the Director	<b>Shri C M Krishna</b>
DIN No	0109574
Date of joining the Board	22.08.1998
Profile of the Director	Shri C M Krishna, aged about 78 years, MA (Economics), LLB and has more than 43 years working experience in various corporate at higher managerial level. Presently, he is working as Consultant with the Industries. He has been a Director of the Company since 1998 and is also a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

Name of the Director	<b>Brig (Retd) Shri Rajeev Lochan Singh SC</b>
DIN No	02237679
Date of joining the Board	21.06.2008
Profile of the Director	Brig (Retd) Shri Rajeev Lochan Singh SC, aged about 66 years, has master's Degree in Management from Osmania University, Hyderabad. He has joined the Army in June, 1970. He was awarded 'Shaurya Chakra' by the President of India for outstanding gallantry in counter insurgency operations. He has vast experience of management of Medium and Large body of personnel in the Army. He has been a Director of the Company since 2008 and also member of Audit Committee and Nomination & Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

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## SHREE BHAWANI PAPER MILLS LIMITED

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Name of the Director	<b>Shri Atul Seth</b>
DIN No	01083740
Date of joining the Board	18.03.2014
Profile of the Director	Shri Atul Seth, aged about 54 years, is Law Graduate and has more than 28 years experience in the Manufacturing Sector. He is also a member of Audit Committee and Nomination and Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	Director in Sterling Hosiery Industry (P) Limited, Kolkata
Relationship with other Directors	NIL

Name of the Director	<b>Smt Lakshmi Kumari</b>
DIN No	07134683
Date of joining the Board	31.03.2015
Profile of the Director	Smt Lakshmi Kumari aged about 65 years, is graduate from Kanpur University and is self employed.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

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# SHREE BHAWANI PAPER MILLS LIMITED

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## CEO and CFO Certificate

### To the Board of Directors of Shree Bhawani Paper Mills Ltd.

- a. We have reviewed the financial statements and the cash flow statement of **Shree Bhawani Paper Mills Ltd.** (the Company) for the year ended 31<sup>st</sup> March, 2015 to the best of our knowledge and belief.
- I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
- I. significant changes in internal control over financial reporting during the period;
  - II. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - III instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**ALANKAR TANDON**  
EXECUTIVE DIRECTOR

**R.M. PANDEY**  
CHIEF FINANCIAL OFFICER

**PLACE: ALLAHABAD**  
**DATE: 30<sup>TH</sup> MAY, 2015**

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SHREE BHAWANI PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Shree Bhawani Paper Mills Limited**, for the year ended on 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

**FOR P.L.GUPTA & CO,**  
**CHARETERED ACCOUNTANTS**

**P.L.GUPTA)**  
**PARTNER**  
**MEMBERSHIP NO.9444**  
**Registration no 011575C**

**PLACE: ALLAHABAD**  
**DATE: 11<sup>th</sup> August, 2015**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Overall Economic Overview**

Paper industry in India continues to face twin challenges of sharp escalation in cost of all major inputs and simultaneous pressure on realisations. Demand for Writing & Printing Papers is estimated to have remained stagnant during the year with the added problem of increasing imports of paper. However, there is a renewed optimism about revival of growth momentum based upon huge expectations from the new Government at the centre. While it is too soon to expect results on the ground, we do believe that the Government is moving in the right direction with determination.

Today, it would be difficult to live without paper, paperboard, and other paper-based products. Levels of paper consumption are also a reflection of relative wealth, as there is a clear correlation between gross domestic product and per capita paper consumption. In many developing countries, per capita paper consumption amounts to only a few kilogram. The largest consumers are the USA, Canada, many Western European countries, and Japan, with well in excess of 200 kg per person, compared with the global average of 60 kg per person. Paper and paperboard production has been expanding rapidly world-wide for over half a century and is expected to reach at a record level of 490 million tons by the end of 2020. Paper is now one of the most globalized commodities in the world, with high volumes of production exported and high volumes imported. Global paper consumption is at a record high level and it will continue to grow.

The global paper industry has been facing a dual impact with economic slowdown and decrease in paper consumption in developed markets due to electronic media and digitisation. As a result, the global paper industry has witnessed very low single digit growth in past few years with major growth impetus coming from emerging economies such as India and China. Asian markets are becoming large consumption centers on account of their high consumption base with low penetration.

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook. India's macro-economic prospects have strengthened and the Country is best positioned among emerging market economies, gaining global investor's attention, says a Report by ICICI Bank. The government, engineering an economic rebound with a slew of reforms, has unveiled a new statistical method to calculate the national income with a broader framework that turned up a pleasant surprise. There is a renewed confidence in the Indian market brought about by a series of economic reforms pursued by the government coupled with the fall in crude oil prices, interest rates and inflation.

### **Opportunities and Threats**

The Indian paper and paperboards industry has potential and also capabilities to service the growing demand in domestic and international market and also to create huge employment avenues in the rural-India through agro/production forestry. The low per capita consumption of paper/ paper board in the Country bound to increase with the growth in GDP, rising income of middle class, increasing demand of computer stationery and spending by Government on education sector.

The following competitive weaknesses and threats confront the Industry:

- i) Inadequate availability of virgin fibre resulting in high cost of raw materials.
- ii) Small and fragmented industry structure.
- iii) Many non-competitive mills.
- iv) Inconsistent multi-tiered quality of products.
- v) Environmental problems of most of the small pulp mills.
- vi) High energy consumption and costs.
- vii) Likely closures, owing to increasingly stringent environmental regulations.
- viii) Paper manufacturers had to cope with several pressures including the depreciating rupee, high inflation, rising input prices, short supply of grid power, low liquidity, high interest rates, low demand growth and global recessionary trends.



## Outlook

The paper industry is understood to be cyclical in nature and its performance depends on the global pulp and paper demand supply situation which is not encouraging at present. The industry is witnessing slowdown in demand from December, 2013.

The Company has filed a Reference application under Section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with Hon'ble BIFR which was registered as Case No. 29/2013. In the hearing held on 26<sup>th</sup> September 2013, the Hon'ble BIFR declared the Company as 'Sick' u/s 3 (1) (o) of SICA and appointed Bank of Baroda as the Operating Agency (OA) u/s 17 (3) of the Act to prepare a Rehabilitation Scheme for the Company. The Company has submitted the Draft Rehabilitation Scheme (DRS) to Bank of Baroda (OA) and other stakeholders with a copy to Hon'ble BIFR. The last date of hearing was to be held on 24<sup>th</sup> April, 2014, was postponed sine die.

Indian Bank has sold its loan to the ARC M/s JM Financial Asset Reconstruction Company Pvt. Ltd. who have filed miscellaneous application with Hon'ble BIFR substitution of its name in place of Indian Bank.

The revival of the Company is dependent on approval of DRS at the earliest.

## Risk and Concerns

- Paper Industry is capital intensive and yields poor returns on investments.
- The revival of the Company is dependent on approval of Draft Rehabilitation Scheme at the earliest.
- The paper industry is one of the 18 highly polluting categories of industries and the executives of the industry, Central and State Government Agencies, Pollution Control Boards and others have prepared a Charter on Corporate Responsibility for Environmental Protection (CREP). The Charter enlists time-bound action points to be implemented by the paper industry for progressive up-gradation of technologies and in-plant practices for reduction in effluents and emissions as well as improvement in waste management systems.
- The Company has commissioned the Chemical Recovery Plant which will increase its capacity to manufacture own pulp and reduce dependence of imported raw-material. New Chemical Recovery Plant could earn additional income for the company by sell of the by-product - soda ash.
- Undue fluctuation in the exchange rate between Indian Rupee and US Dollar will impact the margins of the Company.
- The Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 has stopped the production on all the three paper machines of the Company. Due to which, the financial position was further deteriorated because of Nil production in last five months of this Financial year. Conditional clearance of the same was received in March, 2015. The Company is exploring various avenues to infuse the funds for revival of the Company.
- The Company has installed state-of-art manufacturing facilities at the plant (nearly 75% of the total net block is brand new) including the De-inking plant, co-generation plant, CRP and the newly installed paper mill.

## Productwise Performance and Reasons for Losses

During the year under review, the Company has manufactured 7499 tons of printing, writing and newsprint paper with net sale of Rs.28.28 crores. In October, 2014, the Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 has stopped the production on all the three paper machines of the Company. Due to which, the financial position was further deteriorated because of Nil production in last five months of this Financial year. Conditional clearance of the same was received in March, 2015. The Company is exploring various avenues to infuse the funds for revival of the Company.

Regarding market scenario, we would like to inform, that, due to unrestricted duty free import of Newsprint, the price of Newsprint has gone down by nearly 10% during the year. The new plant set up is mainly for Newsprint and favorable market condition is a necessity to restart the plant. The Company is making all effort to comply with Pollution Control norms, which now required continuous online monitoring and investment.

### **Internal Control System and their Adequacy**

The Company has an adequate system of Internal Control implemented by the management to ensure proper safeguarding of the assets and protection against loss from unauthorized use or disposition. The Internal Control System is devised to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining the accountability of assets.

In addition, the Internal Audit work is conducted by independent professional firm of Chartered Accountants. The Internal Auditors have consistently expressed their satisfaction about adequacy of internal control systems and procedures followed by the Company for conducting its business efficiency. All issues raised by Internal Auditors are being suitably dealt with and rectified under the close monitoring of the Audit Committee.

### **Cautionary Statement**

Statements in this Report on Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may be "forward looking statements" with the meaning of applicable securities law or regulations. These statements are based on certain assumptions and expectation 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 materials 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 reverse any forward looking statements, on the basis of any subsequent developments, information or events.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SHREE BHAWANI PAPER MILLS LIMITED**

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

We have audited the accompanying financial statements of **Shree Bhawani Paper Mills Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2015 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and others irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

#### **Basis of Qualified Opinion**

- (a) As mentioned in Note No 41 of financial statements, the balances of some of the trade receivables, trade payables, lenders, and loans and advances are subject to confirmation / reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the financial statements for the year.

- (b) As mentioned in Note No. 43 of financial statements, the Company became a sick industrial company within the meaning of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a sick Industrial company by BIFR on 26<sup>th</sup> September 2013. The Company has provided interest on Term Loan and other Bank Loans of Indian Bank and Bank of Baroda @ 10.50% with effect from 1<sup>st</sup> January 2013. Had the liability of interest been considered at the rate as sanctioned by the Banks the Loss for the year would have been Rs. 66,85,89,531/- as against the reported loss of Rs. 55,51,30,637/-.
- (c) As mentioned in Note No. 29 of financial statements, the Company has not recognized additional net Deferred Tax Asset during the year. Net Deferred Tax Assets of Rs.14 crores was recognized for the year ended 31.03.2012 based on the future profitability projections by the management. We are unable to express our opinion in this respect.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015.
- (b) In case of the Profit & Loss A/c of the loss for the period ended on that date, and
- (c) In case of the Cash Flow Statement, of the cash flows for the period ended on that date.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Note No. 33 the liability for Gratuity has been made on the basis of liability determined by the management.
  - f. On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act and

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**SHREE BHAWANI PAPER MILLS LIMITED**

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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statement - Refer Note 23 and 44 to the financial statements.
  - ii. The Company has no long-term contracts as at March 31, 2015.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR P.L. GUPTA & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 011575C**

**PLACE : ALLAHABAD  
DATE : 30TH MAY, 2015**

**(P.L. GUPTA)  
PARTNER  
MEMBERSHIP NO. 009444**

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date on accounts for the year ended March 31, 2015 of Shree Bhawani Paper Mills Limited

- (i) (a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b). The Company has physically verified certain assets during the year in accordance with a programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a). The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b). The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c). The Company is maintaining proper records of inventory. We are informed that the discrepancies identified 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 not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the requirements of clauses (iii) (a) and (b) of paragraph 3 of the Order are not applicable for the current year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public during the year. As informed no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148 (1) of the Act in respect of the products of the Company. We have broadly reviewed the books of account and records maintained by the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Value Added Tax, Cess and other statutory dues have not generally been regularly deposited with the appropriate authorities. Further details of such dues which were outstanding for a period of more than six months from the date they became payable are as follows.

Name. of Statute	Period to which amount relates	Due Date	Amount (Rupees)	Date of payment
Employees State Insurance	June 2013 to Sept. 2014	July 2013 to Oct. 2014	33,41,092	Not yet deposited
Employees Provident Fund	Aug. 2012 to Sept. 2014	Sept. 2012 to Oct. 2014	1,65,86,121	Rs. 4,00,000/- paid on 28/4/2015
Finance Act, 1994 Service Tax	April 2013 to Sept. 2014	May 2013 to Oct. 2014	7,67,247	Rs. 2,40,392/- paid on 22/4/2015
Income Tax Act, 1961 TDS	March 2014 to Sept. 2014	April 2014 to Oct. 2014	26,33,255	Rs. 8,500/- paid on 28/4/2015
<b>Total</b>			<b>2,33,27,715</b>	

- (b) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The accumulated losses of the Company at the end of the year are more than its net worth. It has incurred cash losses, both in the financial year under report and the immediately preceding financial year.
- (ix) On the basis of the records and as per the information and explanations given by the management, the Company

## SHREE BHAWANI PAPER MILLS LIMITED

has delayed in repayments of dues to the Banks during the year ended March 31, 2015. Details of such dues are as follows.

(Amount in Rupees)

Name of Banks	Instalments due as on March 31, 2015	Interest due as on March 31, 2015	Total overdue as on March 31, 2015
Bank of Baroda T/L-III	8,25,00,000/-	5,98,08,330/-	14,23,08,330/- Instalment paid upto June 2012 interest paid upto July 2012.
Bank of Baroda T/L-IV	70,70,723/-	62,75,081/-	1,33,45,804/- instalment paid upto June 2012 interest paid upto July 2012.
Indian Bank T/L—IV	54,68,750/-	58,07,763/-	1,12,76,513/- Instalment paid upto June 2012 interest paid upto July 2012.
Indian Bank T/L-III	8,25,00,000/-	5,98,18,755/-	14,23,18,755/- Instalment paid upto June 2012 interest paid upto July 2012.
Bank of Baroda T/L-V	2,12,50,000/-	2,95,64,207/-	5,08,14,207/- Instalment paid Nil, commenced from 1 <sup>st</sup> quarter of 2013-14 Interest paid upto July 2012.
Bank of Baroda WCTL (New)	Installment will be due from June 2015	6,55,50,950/-	6,55,50,950/- Interest paid upto July 2012
Bank of Baroda Corporate Loan (New)	1,00,00,000/-	3,44,95,431/-	4,44,95,431/- Instalment paid Nil, commenced from 1 <sup>st</sup> quarter of 2013-14 Interest paid upto July 2012.
Indian Bank T/L-V	2,12,50,000/-	2,94,43,328/-	5,06,93,328/- Instalment paid Nil, commenced from 1 <sup>st</sup> quarter of 2013-14 Interest paid upto July 2012.
Indian Bank T/L-VI	2,00,00,000/-	5,41,46,555/-	7,41,46,555/- Interest paid upto July 2012.
Bank of Baroda (CC A/c)	-	-	16,12,74,248/-
Indian Bank (CC A/c)	-	-	51,21,43,369/-

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.
- (xi) Based on our examination of records and information and explanations given to us, no fresh term loan has been obtained by the Company during the year. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has used short term funds during the year for financing the operating losses of the Company.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR P.L. GUPTA & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 011575C**

**PLACE : ALLAHABAD  
DATE : 30<sup>TH</sup> MAY, 2015**

**(P.L. GUPTA)  
PARTNER  
Membership No. 009444**

# SHREE BHAWANI PAPER MILLS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

		(Rupees)	
	NOTE NO.	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	348113645	348113645
(b) Reserves and Surplus	2	-1968164828	-1413034191
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	3	1902627514	1718746386
(b) Long Term provisions	4	2958639	3387580
<b>3. CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	5	718348064	649020981
(b) Trade Payables	6	158793367	149951299
(c) Other Current Liabilities	7	196205534	118345521
(d) Short Term Provisions	8	239590	453339
<b>TOTAL</b>		<b>1359121525</b>	<b>1574984560</b>
<b>II. ASSETS :</b>			
<b>1. NON-CURRENT ASSETS</b>			
<b>(A) FIXED ASSETS</b>			
(i) Tangible Assets	9	927581812	1015614686
(ii) Intangible Assets	9	6162400	9243600
(iii) Capital Work-in-Progress	9	96290080	95457489
<b>(B) Non-Current Investments</b>	10	3640	294840
<b>(C) Deferred Tax Assets (Net)</b>	29	140000000	140000000
<b>(D) Long-Term Loans and Advances</b>	11	7792146	10451862
<b>2. CURRENT ASSETS</b>			
<b>(A) Inventories</b>	12	52444357	116605510
<b>(B) Trade Receivables</b>	13	66359927	77962018
<b>(C) Cash and Cash Equivalents</b>	14	1092098	1877613
<b>(D) Short-Term Loans and Advances</b>	15	61395065	107476942
<b>TOTAL</b>		<b>1359121525</b>	<b>1574984560</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b> 1 to 45			

Notes referred to above form an integral part of financial statements.

As per our report of even date attached.

**FOR P. L. GUPTA & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 011575C**

**(P. L. GUPTA)  
PARTNER  
MEMBERSHIP NO.009444**

**GIRISH TANDON  
MANAGING DIRECTOR**

**ALANKAR TANDON  
EXECUTIVE DIRECTOR**

**BABITA JAIN  
COMPANY SECRETARY**

**BADRI VISHAL TANDON  
C.M. KRISHNA  
SARAN VINOD  
LAKSHMI KUMARI**

} **DIRECTORS**

**PLACE : ALLAHABAD  
DATED : 30<sup>TH</sup> MAY, 2015**

**R.M. PANDEY  
CHIEF FINANCIAL OFFICER**



## SHREE BHAWANI PAPER MILLS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Rupees)			
PARTICULARS	NOTE NO.	YEAR ENDED 31 <sup>ST</sup> MARCH, 2015	PERIOD ENDED (15 MONTHS) 01.01.2013 to 31.03.2014
<b>I. REVENUE FROM OPERATIONS</b>			
(GROSS)	16	289336780	1224158963
Less : Excise Duty		6507509	28062523
<b>REVENUE FROM OPERATIONS (NET)</b>		<b>282829271</b>	<b>1196096440</b>
<b>II. OTHER INCOME</b>			
	17	8140666	23500846
<b>III. TOTAL REVENUE (I+II)</b>			
		<b>290969937</b>	<b>1219597286</b>
<b>IV. EXPENSES</b>			
(a) Cost of Material Consumed	18	200432052	683655547
(b) Changes in inventories of finished Goods, Work-in-Progress and Stock-in-Trade	19	6132982	1862945
(c) Employee Benefits Expense	20	69806213	113055516
(d) Finance Costs	21	205839104	241669359
(e) Depreciation and amortization Expense	9	91262018	94947171
(f) Other Expenses	22	272628205	618560693
<b>TOTAL EXPENSES</b>		<b>846100574</b>	<b>1753751231</b>
<b>V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>			
		<b>-555130637</b>	<b>-534153945</b>
<b>VI Exceptional Items</b>			
	37		146791930
<b>VII PROFIT BEFORE TAX (V-VI)</b>			
		<b>-555130637</b>	<b>-680945875</b>
<b>VIII LESS : TAX EXPENSE</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>IX PROFIT FOR THE PERIOD</b>			
		<b>-555130637</b>	<b>-680945875</b>
<b>X Earning per Equity Share</b>			
(of Rs. 10/-each)	30		
(a) Basic		-15.94	-19.55
(b) Diluted		-15.94	-19.55

**Significant Accounting Policies and Notes on Financial Statements** 1 to 45

Notes referred to above form an integral part of financial statements  
As per our report of even date attached.

**FOR P. L. GUPTA & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 011575C**

(P. L. GUPTA)  
PARTNER  
MEMBERSHIP NO.009444

GIRISH TANDON  
MANAGING DIRECTOR

ALANKAR TANDON  
EXECUTIVE DIRECTOR

BABITA JAIN  
COMPANY SECRETARY

BADRI VISHAL TANDON  
C.M. KRISHNA  
SARAN VINOD  
LAKSHMI KUMARI

} DIRECTORS

PLACE : ALLAHABAD  
DATED : 30<sup>TH</sup> MAY, 2015

R.M. PANDEY  
CHIEF FINANCIAL OFFICER

## SHREE BHAWANI PAPER MILLS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

PARTICULARS	(RUPEES) Year Ended 31.03.2015	(RUPEES) Period Ended 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	-555130637	-680945875
Adjustment for :		
Depreciation	91262018	94947171
Interest Expenses	205474540	240622846
Interest Income	-10850	- 2219518
Dividend Income	- 5508	- 31104
Profit on Sale of Long Term Investments	-179217	-
Extraordinary items	<u>108158603</u>	<u>30621300</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-150431051	-317005180
Adjustment for:		
Trade & Other receivables	60343684	214010057
Inventories	64161153	238370462
Trade payable and other liabilities	<u>86059391</u>	<u>-91897769</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<u>60133177</u>	<u>43477570</u>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>60133177</b>	<b>43477570</b>
Extraordinary items	-108158603	-30621300
<b>NET CASH FROM OPERATING ACTIVITIES</b> ...A	<u>-48025426</u>	<u>12856270</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-980535	- 28086965
Dividend received	5508	31104
Interest received	10850	2205970
Sale of Long Term Investments	470417	-
NET CASH USED IN INVESTING ACTIVITIES	<u>- 493760</u>	<u>- 25849891</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	-12943207	-34876894
Net Increase/(Decrease) in Cash Credit Utilisation	-	39784298
Deposits	61286166	11846859
Interest paid	-609288	-27733788
NET CASH FROM FINANCING ACTIVITIES	<u>47733671</u>	<u>-10979525</u>

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**SHREE BHAWANI PAPER MILLS LIMITED**

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	<b>Year Ended 31.03.2015</b>	<b>(RUPEES) Period Ended 31.03.2014</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>-785515</u>	<u>-23973146</u>
CASH AND CASH EQUIVALENTS (Opening Balance)	<u>1877613</u>	<u>25850759</u>
CASH AND CASH EQUIVALENTS (Closing Balance)	<u>1092098</u>	<u>1877613</u>

Note: Previous Year's figures have been regrouped, wherever necessary.

As per our report of even date attached.

**FOR P. L. GUPTA & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 011575C**

**(P. L. GUPTA)  
PARTNER  
MEMBERSHIP NO.009444**

**GIRISH TANDON  
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} **DIRECTORS**

**PLACE : ALLAHABAD  
DATED : 30<sup>TH</sup> MAY, 2015**

**R.M. PANDEY  
CHIEF FINANCIAL OFFICER**

# SHREE BHAWANI PAPER MILLS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	<b>As at 31<sup>st</sup> March, 2015</b>	<b>(RUPEES) As at 31<sup>st</sup> March, 2014</b>
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>(1) AUTHORISED</b>		
EQUITY SHARES : RS. 10/- PAR VALUE 350,00,000 Equity Shares	<b>350000000</b>	350000000
PREFERENCE SHARES : RS. 10/- PAR VALUE 2,50,000 Preference Shares	<b>2500000</b>	2500000
	<b>352500000</b>	352500000
<b>(2) ISSUED, SUBSCRIBED AND PAID-UP</b>		
EQUITY SHARES : RS. 10/- PAR VALUE 34827224* (34827224) Equity Shares fully paid up	<b>348272240</b>	348272240
Less : Calls unpaid By others	<b>158595</b>	158595
<b>TOTAL</b>	<b>348113645</b>	348113645

\*Including 326000 Equity Shares of Rs. 10/- Par value fully paid up issued to Financial Institutions on conversion of part loan.

The Company has only one class of shares issued as Equity Shares having a par value of Rs. 10/-. Each share holder of Equity shares is entitled to one vote per share.

The Company declares & pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity shares held by the share holders.

Shareholders holding more than 5% of total Shares :-

Name of the Shareholder	No of Shares	% held as at 31 <sup>st</sup> March, 2015	No of Shares	% held as at 31 <sup>st</sup> March, 2014
Om Prakash Goenka	<b>4693224</b>	<b>13.48</b>	4693224	13.48
Badri Vishal Tandon (Karta of Ram Mohan Das Tandon [HUF])	<b>3661347</b>	<b>10.51</b>	3661347	10.51
Mirah Dekor Limited	<b>2649033</b>	<b>7.61</b>	2649033	7.61
<b>Reconciliation of No. of shares outstanding</b>			<b>As at 31<sup>st</sup> March, 2015 No. of Shares</b>	<b>As at 31<sup>st</sup> March, 2014 No. of Shares</b>
<b>Equity shares</b>				
Number of shares at the beginning of the year			<b>34827224</b>	34827224
<b>Number of shares at the end of the year</b>			<b>34827224</b>	34827224

## SHREE BHAWANI PAPER MILLS LIMITED

	<b>As at 31<sup>st</sup> March, 2015</b>	<b>(RUPEES) As at 31<sup>st</sup> March, 2014</b>
<b>NOTE 2 : RESERVES &amp; SURPLUS</b>		
<b>A. CAPITAL RESERVE</b>		
AS PER LAST BALANCE SHEET	1568875	1568875
<b>B. SECURITIES PREMIUM RESERVE</b>		
AS PER LAST BALANCE SHEET	30755351	30755351
	30755351	30755351
<b>C. CAPITAL REDEMPTION RESERVE</b>		
AS PER LAST BALANCE SHEET	1000000	1000000
<b>D. PROFIT &amp; LOSS ACCOUNT</b>		
AS PER LAST BALANCE SHEET	-1446358417	-765412542
ADD : LOSS FOR THE YEAR	-555130637	-680945875
	-2001489054	-1446358417
<b>TOTAL</b>	-1968164828	-1413034191
<b>NOTE 3 : LONG TERM BORROWINGS</b>		
<b>A. SECURED</b>		
TERM LOAN - FROM BANKS	1345807427	1212217380
<b>B. UNSECURED</b>		
TERM LOAN - FROM OTHER PARTIES	4238447	5678796
LOANS & ADVANCES FROM RELATED PARTIES	166462000	128694584
DEPOSITS	24142486	28934800
OTHER LOANS & ADVANCES	361977154	343220826
<b>TOTAL</b>	1902627514	1718746386

### Nature of security and terms of repayment for Long Term Secured Borrowings

<b>Nature of Security</b>	<b>Terms of Repayment</b>
1. Term loan amounting to Rs. 2323.08 Lacs (March 31, 2014 Rs. 2092.49 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)
2. Term loan amounting to Rs. 242.04 Lacs (March 31, 2014 Rs. 218.02 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 15.25% p.a. (P.Y. 15.25 % p.a.)
3. Term loan amounting to Rs. 1145.64 Lacs (March 31, 2014 Rs. 1031.92 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2013. Last installment due in March 2021. Rate of interest 15.25% p.a. (P.Y. 15.25 % p.a.)
4. Term loan amounting to Rs. 2555.51 Lacs (March 31, 2014 Rs. 2301.84 Lacs)	Repayment in 28 quarterly installments commencing from 30.06.2015. Last installment due in March 2022. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)
5. Term loan amounting to Rs. 1344.95 Lacs (March 31, 2014 Rs. 1211.45) Lacs	Repayment in 8 quarterly installments commencing from 30.06.2013. Last installment due in March 2015. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)

## SHREE BHAWANI PAPER MILLS LIMITED

- |   |  |
|---|--|
| 6. Term loan amounting to Rs. 2323.19 Lacs<br>(March 31, 2014 Rs. 2092.58 Lacs) | Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.00% p.a. (P.Y. 14.00% p.a.) |
| 7. Term loan amounting to Rs. 237.76 Lacs<br>(March 31, 2014 Rs. 214.15 Lacs)   | Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.00% p.a. (P.Y. 14.00% p.a.) |
| 8. Term loan amounting to Rs. 1144.43 Lacs<br>(March 31, 2014 Rs. 1030.83 Lacs) | Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.25% p.a. (P.Y. 14.25% p.a.) |
| 9. Term loan amounting to Rs. 2141.47 Lacs<br>(March 31, 2014 Rs. 1928.90 Lacs) | Repayment in 32 quarterly installments commencing from 30.06.2014. Last installment due in March 2022. Rate of interest 14.25% p.a. (P.Y. 14.25% p.a.) |
- A. All the above secured loans are secured by a "Pari Passu" joint equitable mortgage over the Company's immovable properties & a charge by way of hypothecation of movable assets, all current assets of the Company, both present & future, subject to prior charges created on specified movable assets in favour of Company's bankers for working capital.
- The loans are additionally secured by pledge of equity shares held by the Managing Director of the Company.
- B. Installment of principal loan falling due within one year Rs. 139642856/- (Previous year Rs. 112500000/-)
- C. The Company has yet to make repayment of installments of term loans to the banks aggregating Rs. 250039473/- (Previous Year Rs. 142187500/-) which fell due upto 31st March, 2015. The Company has also yet to make payment of interest on term loans from banks aggregating Rs. 344910400/- (Previous year Rs. 211320353/-) which fell due upto 31st March, 2015 (Refer Note No. 43).

<b>NOTE 4 : LONG TERM PROVISIONS</b>	<b>AS AT 31ST MARCH, 2015</b>	<b>(RUPEES) AS AT 31ST MARCH, 2014</b>
PROVISION FOR EMPLOYEE BENEFITS	<b>2958639</b>	<b>3387580</b>

### NOTE 5 : SHORT - TERM BORROWINGS

#### SECURED

#### WORKING CAPITAL LOAN

*FROM INDIAN BANK & BANK OF BARODA	<b>718348064</b>	648890577
**FROM OTHER PARTIES	—	130404
	<b>718348064</b>	<b>649020981</b>

\* All the above secured loans are secured by hypothecation of stock of raw materials, stores, stock in process, finished goods, book debts, both present and future and further secured by "Pari Passu" joint equitable mortgage over immovable properties of the Company.

All the above loans are further guaranteed by the Managing Director and Executive Director of the Company.

\*\* Secured by hypothecation of specified assets.

## SHREE BHAWANI PAPER MILLS LIMITED

	<b>As at 31<sup>st</sup> March, 2015</b>	<b>(RUPEES) As at 31<sup>st</sup> March, 2014</b>
<b>NOTE 6 : TRADE PAYABLES</b>		
MICRO, SMALL & MEDIUM ENTERPRISES (Refer Note No. 26)	6131802	9295772
OTHERS	152661565	140655527
	<b>158793367</b>	<b>149951299</b>
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>		
A. ADVANCES FROM CUSTOMERS	17912701	16055621
B. CREDITORS FOR CAPEX SCHEME	10051223	9699424
C. STATUTORY DUES PAYABLE	43449169	23874169
D. UNPAID DIVIDENDS	—	224928
E. OTHERS	124792440	68491379
	<b>196205533</b>	<b>118345521</b>

There is no amount due and outstanding as on Balance Sheet date to be credited to Investor Education & Protection Fund.

<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
INCOME TAX	239590	453339

### NOTE 9 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 01.04.2014 Rupees	Addi- tions Rupees	Deduc- tions Rupees	As at 31.03.2015 Rupees	As at 01.04.2014 Rupees	For the Period Rupees	Deductions/ Adjustments Rupees	As at 31.03.2015 Rupees	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
<b>1. TANGIBLE ASSETS</b>										
Lease Hold Land	887530	-	-	887530	325419	9861	-	335280	552250	562111
Buildings	159542503	-	-	159542503	51632367	5144348	-	56776715	102765788	107910136
Plant & Equipment	1440485807	-	-	1440485807	539068437	81289432	-	620357869	820127938	901417370
Vehicles	10584461	-	1086633	9497828	7821758	859992	1044577	7637173	1860655	2762703
Furniture & Fixtures	12107049	190000	-	12297049	9200381	852083	-	10052464	2244585	2906668
Office Equipments	118614	-	-	118614	62917	25102	-	88019	30595	55697
<b>Total</b>	1623725964	190000	1086633	1622829331	608111279	88180818	1044577	695247520	927581812	1015614686
Previous Year	1342013590	283555094	1842720	1623725964	518780212	91106223	1775156	608111279	1015614686	823233378
<b>2. INTANGIBLE ASSETS</b>										
Previous Year	15406000	-	-	15406000	6162400	3081200	-	9243600	6162400	9243600
Previous Year	15406000	-	-	15406000	2321452	3840948	-	6162400	9243600	13084548
<b>3. CAPITAL WORK IN PROGRESS</b>										
Previous year	95457489	832591	-	96290080	-	-	-	-	96290080	95457489
Previous year	394544177	41797015	340883703	95457489	-	-	-	-	95457489	394544177

### NOTE 10 : NON CURRENT INVESTMENT

#### LONG TERM INVESTMENTS

NON-TRADE (QUOTED)	3640	294840
40 (3240) Equity Shares of Rs. 10/- each of Indian Bank (Market Value of Quoted Investment Rs. 6918/- Previous Year Rs. 372697/-)		

## SHREE BHAWANI PAPER MILLS LIMITED

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	<b>As at 31<sup>st</sup> March, 2015</b>	<b>(RUPEES) As at 31<sup>st</sup> March, 2014</b>
<b>NOTE 11 : LONG TERM LOANS AND ADVANCES</b>		
(UNSECURED & CONSIDERED GOOD)		
SECURITY DEPOSITS	<b>7792146</b>	10451862
	<b>7792146</b>	10451862
<b>NOTE 12 : INVENTORIES</b>		
A. RAW MATERIALS	—	38597913
B. RAW MATERIAL IN TRANSIT	<b>6497875</b>	15014835
C. FINISHED GOODS	<b>1538969</b>	5665454
D. STOCK IN PROCESS	<b>779804</b>	2786301
E. STORES, CHEMICALS & PACKING MATERIALS	<b>43416311</b>	48587042
F. PADDY HUSK & COAL	<b>152733</b>	5796870
G. OTHERS	<b>58665</b>	157095
	<b>52444357</b>	116605510
<b>NOTE 13 : TRADE RECEIVABLES</b>		
DEBTS OUTSTANDING FOR MORE THAN SIX MONTHS		
UNSECURED & CONSIDERED GOOD	<b>62337860</b>	14611955
OTHERS DEBTS	—	—
UNSECURED & CONSIDERED GOOD	<b>4022067</b>	63350063
	<b>66359927</b>	77962018
<b>NOTE 14 : CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	<b>284681</b>	512213
BALANCE WITH BANKS	<b>140886</b>	663869
FIXED DEPOSITS WITH BANKS	<b>666531</b>	701531
	<b>1092098</b>	1877613
<b>NOTE 15 : SHORT TERM LOANS &amp; ADVANCES</b>		
(UNSECURED & CONSIDERED GOOD)		
BALANCE WITH CUSTOMS, CENTRAL EXCISE AUTHORITIES	<b>1206014</b>	4628630
OTHERS	<b>60189051</b>	102848312
	<b>61395065</b>	107476942



## SHREE BHAWANI PAPER MILLS LIMITED

	<b>Year ended 31.03.2015</b>	<b>RUPEES Period ended 01.01.2013 to 31.03.2014 (15 Months)</b>
<b>NOTE 16 : REVENUE FROM OPERATIONS</b>		
A. SALES	295462500	1249225037
B. LESS: REBATE & DISCOUNT	6125720	25066074
NET REVENUE FROM OPERATIONS	289336780	1224158963
<b>NOTE 17 : OTHER INCOME</b>		
INTEREST ON DEPOSITS WITH BANKS & OTHERS	10850	2219518
DIVIDEND RECEIVED FROM NON-TRADE INVESTMENTS	5508	31104
PROFIT ON SALE OF FIXED ASSETS	5564	275544
PROFIT ON SALE OF LONG TERM INVESTMENT	179217	—
MISC. INCOME	7939527	6023577
CERTIFIED EMISSION REDUCTION SALE	—	14951103
	8140666	23500846
<b>NOTE 18 : COST OF MATERIALS CONSUMED</b>		
WASTE PAPER	166987388	597368841
WHEAT/RICE STRAW	8350827	56124869
OTHERS*	25093837	30161837
	200432052	683655547
*Others include Sarkanda, Raw Jute, Bagasse etc. None of which individually account for more than 10% of the total consumption.		
<b>NOTE 19 : CHANGES IN INVENTORIES OF FINISHED GOODS,</b>		
<b>WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
<b>OPENING STOCK</b>		
FINISHED GOODS	5665454	8790057
STOCK IN PROCESS	2786301	1524643
	8451755	10314700
<b>LESS: CLOSING STOCK</b>		
FINISHED GOODS	1538969	5665454
STOCK IN PROCESS	779804	2786301
	2318773	8451755
<b>DECREASE IN INVENTORIES OF FINISHED GOODS &amp; WORK IN PROGRESS</b>	6132982	1862945
<b>NOTE 20 : EMPLOYEE BENEFITS EXPENSE</b>		
SALARY AND WAGES	61771678	103175366
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	5396465	7566708
WORKERS AND STAFF WELFARE	2638070	2313442
	69806213	113055516
<b>NOTE 21 : FINANCE COST</b>		
A. INTEREST EXPENSE	205656822	240622846
B. OTHER BORROWING COSTS	182282	1046513
	205839104	241669359

## SHREE BHAWANI PAPER MILLS LIMITED

<b>NOTE 22 : OTHER EXPENSES</b>	<b>Year ended 31.03.2015</b>	<b>RUPEES Period ended 01.01.2013 to 31.03.2014 (15 Months)</b>
STORES, SPARE PARTS & CHEMICALS CONSUMED	31956425	173407915
PACKING MATERIAL CONSUMED	5464021	26778777
POWER & FUEL	107890838	332756937
REPAIRS TO BUILDING	153230	544140
REPAIRS TO MACHINERY	847574	5040696
REPAIRS TO OTHERS	753650	1436578
EXCISE DUTY	88821	336210
RENT	500000	1050000
RATES & TAXES	1291235	1603690
LOADING, TRANSPORTATION & OTHER CHARGES	2471183	12046566
COMMISSION ON SALES	2314726	10957649
ADVERTISEMENT	94940	694175
PRIOR PERIOD EXPENSES (NET)	108158603	30621300
MISCELLANEOUS EXPENDITURE	10282959	20984060
PAYMENT TO AUDITORS		
AS AUDITORS	150000	150000
FOR TAXATION MATTERS	50000	25000
FOR OTHERS SERVICES	145000	113000
FOR REIMBURSEMENT OF EXPENSES	15000	14000
	<b>272628205</b>	<b>618560693</b>

**NOTE 23 :** Contingent liability not provided for:

Guarantees given by bank Rs. NIL (Previous Year Rs. 4.00 lacs)  
Disputed demand under Sales tax Rs. 1388942/- (Previous Year Rs. NIL)

Claims against the Company not acknowledged as debt Rs. 9065872/- (Previous Year Rs. NIL)

**NOTE 24 :** Estimated amount of capital contracts remaining to be executed and not provided for Rs.2359638/- (Previous Year Rs. 2359638/-)

**NOTE 25 :** The Income Tax assessments of the Company have been completed upto Assessment Year 2012-13. The Income Tax authorities had disallowed certain concessions/allowances available to the Company. The Provision for Income Tax already made in the past has been considered to be adequate enough to meet the liabilities, if any.

**NOTE 26 :** Sundry creditors include principal amount Rs. 6131802/- (Previous Year Rs. 9295772/-) due to the suppliers covered by Micro and Small Enterprises Development Act, 2006.

There is no interest paid/payable during the year by the Company to such suppliers.

Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015 are as under:

<b>Item No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>RUPEES As at 31<sup>st</sup> March, 2014</b>
(a)	(i) The Principal amount remaining unpaid at the end of the year	6131802	8627088
	(ii) The interest due on above	NIL	NIL
	<b>Total</b>	<b>6131802</b>	<b>8627088</b>
(b)	Interest in term of Section 16	NIL	NIL
(c)	Interest due and payable for the period of delay in payment	NIL	NIL
(d)	Interest accrued and remaining unpaid	NIL	NIL
(e)	Interest due and payable even in succeeding years	NIL	NIL

The disclosure is based on information available with the Company regarding the status of suppliers.

## SHREE BHAWANI PAPER MILLS LIMITED

**NOTE 27 :** In the opinion of the Board, any of the asset other than Fixed Assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**NOTE 28 :** The Company has operating lease for one of its premises, which is renewable on expiry. Rental expenses for operating lease charged to Profit & Loss Account for the year is Rs. 500000/- (Previous Year Rs. 1050000/- ).

**NOTE 29 :** During the year, the Company has not recognised additional net Deferred Tax Asset. Net Deferred Tax Asset of Rs.14.00 Crore was recognised for the year ended 31.03.2012 based on the future profitability projections by the management. The financial statements for the year have been drawn up as per going concern assumptions.

**NOTE 30 :** Earnings per share (EPS) - The numerators and denominators used to calculate Basic and Diluted Earnings per Share :

Particulars		Year Ended 31.03.2015	Period Ended 31.03.2014
Net Profit after tax as per Statement of Profit & Loss attributable to the equity shareholders (Rs)	(A)	-555130637	-680945875
Weighted average number of Equity Shares used as denominator for calculating EPS	(B)	34827224	34827224
Face Value per Equity Shares (Rs.)		10	10
Basic/Diluted Earnings Per Share (Rs.)	(A/B)	-15.94	-19.55

**NOTE 31 :** **Related Party Disclosure as per Accounting Standard 18 :**

**List of related parties and relationships :**

**A. Key Management Personnel**

1. Shri Girish Tandon - Managing Director
2. Shri Alankar Tandon - Executive Director
3. Shri Roop Mani Pandey - Chief Financial Officer
4. Smt Babita Jain - Company Secretary

**B. Relative of Key Management Personnel**

1. Shri Badri Vishal Tandon, 2. Smt. Savita Seth 3. Smt. Meenu Tandon 4. Smt. Neera Tandon
5. Smt. Surabhi Mehra 6. Smt. Paridhi Tandon 7. Shri Gaurav Tandon 8. Shri Akshat Tandon
9. Smt. Chavi Tandon 10. Km. Damini Tandon 11. Master Aadi Tandon 12. Master Anadi Tandon

**C. Enterprises over which Key Managerial Personnel are able to exercise significant influence.**

1. Alankar Udyog Pvt. Ltd.
2. Sahitya Bhawan Pvt. Ltd.
3. Electra Logistics Ltd.

## SHREE BHAWANI PAPER MILLS LIMITED

Transactions with related parties		RUPEES	
Nature of Transactions	As at 31.03.2015	As at 31.03.2014	
<b>I Rent for Office Premises paid to Relative of Key Management Personnel</b>			
Shri Gaurav Tandon	-	262500	
Shri Akshat Tandon	-	262500	
Smt Neera Tandeon	-	262500	
<b>II Rent for Office Premises paid to Key Management Personnel</b>			
Shri Alankar Tandon	-	262500	
<b>III Interest on Fixed Deposit paid to Relative of key Managerial Personnel</b>			
Aadi Tandon	-	18565	
Surabhi Tandon	-	2323	
Chavi Tandon	-	929	
Anadi Tandon	-	4566	
Badri Vishal Tandon	-	8002	
<b>IV Fixed Deposit Repaid to Relative of Key Managerial Personnel</b>			
Aadi Tandon	-	125000	
Surabhi Tandon	-	50000	
Chavi Tandon	-	20000	
Anandi Tandon	-	25000	
Badri Vishal Tandon	-	200000	
<b>V Remuneration to Key Management Personnel</b>			
Shri Girish Tandon	1800000	2888232	
Shri Alankar Tandon	1800000	2385973	
Shri Roop Mani Pandey	685800	-	
Smt Babita Jain	746854	-	
<b>VI Remuneration to Relative of Key Management Personnel</b>			
Shri Badri Vishal Tandon	58000	65000	
Shri Gaurav Tandon	1372572	1713250	
<b>VII Remuneration Payable to Key Management Personnel</b>			
Shri Girish Tandon	943657	27873	
Shri Alankar Tandon	1116891	18861	
Shri Roop Mani Pandey	533365	-	
Smt Babita jain	222427	-	
<b>VIII Remuneration Payable to Relative of Key Management Personnel</b>			
Shri Gaurav Tandon	1057474	114045	

**NOTE 32 : Employee Benefits :**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard as given below:

**Defined Contribution Plan**

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

	Year Ended 31.03.2015	Period Ended 31.03.2014
Employer's Contribution to Provident and Other Funds	5396465	7566708

## SHREE BHAWANI PAPER MILLS LIMITED

### Defined Benefit Plan

The employees' Leave Encashment Scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	RUPEES	
	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	31.03.2015	31.03.2014
<b>Reconciliation of opening and closing balance of Defined Benefit obligation</b>		
Defined Benefit obligation at beginning of the year	3387580	2453220
Current Service Cost	1617588	2521353
Interest Cost	231127	157629
Actuarial (gain)/loss	-532463	571
Benefits Paid	-1745193	-1745193
Defined Benefit obligation at the year end	2958639	3387580
<b>Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets		
Present value of obligation	2958639	3387580
Amount recognised in Balance Sheet	2958639	3387580
<b>Expense recognised during the year</b> (Under the head "Provisions for employees benefit")		
Refer Note 4		
Current Service Cost	1617588	2521353
Interest Cost	231127	157629
Expected return on plan assets	-	-
Actuarial (gain)/loss	-532463	571
<b>Net Cost</b>	1316252	2679553
<b>Actuarial Assumptions</b>		
<b>Mortality Table</b>		
Discount rate (per annum)	7.77%	8.00%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	3%	3%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market the above information is certified by actuary

**NOTE 33 :** The Company accounts for gratuity liability equivalent to the premium amount payable to Life Insurance Corporation of India every year. The company has changed current accounting year from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 where as the previous accounting year was for fifteen months ended from 1<sup>st</sup> January, 2013 to 31<sup>st</sup> March, 2014. The Company has not received any advice of premium amount payable to Life Insurance Corporation of India for the year ended 31<sup>st</sup> March, 2015. Gratuity liability amounting to Rs. 1422439/- (Previous Year Rs. 2050666/-) has been provided for the period on estimated basis.

## SHREE BHAWANI PAPER MILLS LIMITED

**NOTE 34 : Segment Information :**

The Company operates only in one business segment, that is, "Printing, Writing and Newsprint Paper".

**NOTE 35 : (a) RAW MATERIALS CONSUMED**

	Year Ended 31.03.2015		Period Ended 31.03.2014	
	Qty (MT)	Value (Rs)	Qty (MT)	Value (Rs)
Wheat Straw & Rice Straw	2141.047	8350827	15860.655	56124869
Waste Paper	10216.213	165234434	34881.135	597368841
Bagasse & Others	828.710	26846791	11683.304	30161837
	<b>13185.970</b>	<b>200432052</b>	62425.094	683655547

**(b) CONSUMPTION OF RAW MATERIALS, STORES & SPARES**

	Year Ended 31.03.2015		Period Ended 31.03.2014	
	Rupees	%	Rupees	%
<b>i) RAW MATERIALS</b>				
Imported	63308468	31.59	165423425	24.20
Indigenous	137123584	68.41	518232122	75.80
	<b>200432052</b>	<b>100.00</b>	683655547	100.00
<b>ii) STORES &amp; SPARES</b>				
Imported	10752	0.20	514689	2.63
Indigenous	5251613	99.80	25511592	97.37
	<b>5262365</b>	<b>100.00</b>	26026281	100.00

**(c) CIF VALUE OF IMPORTS**

i) Capital Goods	-	-
ii) Raw Materials	33735169	115853139
iii) Stores & Spares	10752	514689

**(d) EARNINGS IN FOREIGN CURRENCY**

i) Certified Emission Reductions	-	14951103
ii) On Export of Goods (FOB Basis)	-	-

**(e) EXPENDITURE IN FOREIGN CURRENCY**

Travelling	-	-
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**NOTE 36 :** The Company's current accounting year is from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, whereas the previous accounting year was for fifteen months ended 31<sup>st</sup> March, 2014. Accordingly, the current year's figures being for twelve months ended 31<sup>st</sup> March, 2015 are not comparable with those of the previous year.

**NOTE 37 :** Previous year's figures including those in brackets have been re-arranged/regrouped wherever considered necessary.

## SHREE BHAWANI PAPER MILLS LIMITED

<b>NOTE 38 : Exceptional items :</b>	<b>Year Ended</b>	<b>Period Ended</b>
PARTICULARS	<b>31.03.2015</b>	<b>31.03.2014</b>
Diminution in the value of Inventory of Raw Material	-	101793903
Diminution in the value of Inventory of Power & Fuel	-	35637205
Diminution in the value of Inventory of Stores	-	9360822
Total	-	146791930

<b>NOTE 39 : Prior Period Income/Expenses :</b>	<b>Year Ended</b>	<b>Period Ended</b>
PARTICULARS	<b>31.03.2015</b>	<b>31.03.2014</b>
Prior Period Income (Expenses) Represents :		
Debit relating to earlier years	<b>-109621069</b>	-32547434
Credit relating to earlier years	<b>1462466</b>	1926134
Total	<b>-108158603</b>	-30621300

**NOTE 40 :** As at the balance sheet date, the accumulated losses of the company stands at Rs.2001489054/- (Rs. 1446358417/-) and the shareholders' Fund amount to Rs. 381437871/- (Rs 381437871/-).

The business plan and profitability estimates have been made by the Board of directors. These projections reflects that the company would be in a position to generate positive cash flows and operational surplus in the near future.

Considering the strategic plans and the future profitability projections , these financial statements have drawn up as per the going concern assumptions, which is appropriate in the opinion of the management.

**NOTE 41 :** Balances of some of the Trade Receivables, Trade Payables, Lenders, Loans and Advances are subject to confirmation from respective parties and consequential adjustments arising from reconciliation, if any. The management is of the view that there will be no material adjustment in this regard.

**NOTE 42 : COMPANY OVERVIEW**

SHREE BHAWANI PAPER MILLS LIMITED, a Public Limited Company is primarily engaged in manufacture & sale of writing and printing paper. The Company presently has manufacturing facilities at Raebareli (U.P.).

**NOTE 43 :** The Company became a sick industrial company within the meaning of Section 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a sick Industrial Company by BIFR on 26<sup>th</sup> September, 2013. The company is in the process of restructuring/revival of its business. Considering this the accounts have been prepared on a going concern basis. The Company's ability to continue as a going concern is dependent upon successful restructuring and revival of its business. The company has submitted the Draft Rehabilitation Scheme (DRS) to operating agency, Bank of Baroda. The company has provided interest on Term Loan and other Bank Loans of Indian Bank and Bank of Baroda @10.5% with effect from 1st January, 2013 instead of rate as sanctioned by the Banks.

**NOTE 44 : LITIGATION**

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions when ultimately concluded and determined, will have a material and adverse affect on the Company's results of operations or financial position.

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## SHREE BHAWANI PAPER MILLS LIMITED

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### NOTE 45 : Significant Accounting Policies

#### A. General

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 2013. The Financial Statement comply with the requirements of the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule of the Companies (Accounts) Rule, 2014.

#### B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### C. Recognition of Income and Expenditure

All income and expenditure items having a material bearing on the financial statements are recognised on the accrual basis.

#### D. Sales

Sales are accounted for inclusive of excise duty. The sale value is net of discounts, returns and sales tax.

#### E. Excise Duty

Excise Duty on finished goods has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded ware-houses.

#### F. Depreciation

i) Depreciation on Buildings and Plant & Machinery (including continuous Process Plant) is provided on straight line method and on other assets on written down value method at the rates prescribed in Schedule II of the Companies Act, 2013.

ii) Lease hold land is amortised over the duration of lease.

#### G. Employee Benefits

i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post-employment and other long term employee benefits are recognised as an expense in the profit and loss accounts for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss accounts.

iii) The Company has created an approved gratuity fund and has taken a Group Gratuity Insurance Policy with Life Insurance Corporation of India for future payment of gratuity to employees. The Company accounts for gratuity liability equivalent to the premium amount payable to Life Insurance Corporation of India every year.

#### H. Fixed Assets

##### I. Tangible Assets :

Fixed assets are stated at cost net of modvat/cenvat less accumulated depreciation and impairment loss, if any. Pre-operative expenses including eligible borrowing cost incurred during construction period and issue expenses related to funds raised for financing the project are charged to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets.

Machinery spares which can be used only in connection with a particular item of fixed assets and the use of which is irregular, are capitalised at cost net of modvat / cenvat.



**II. Intangible Assets (Software)**

Intangibles representing software are amortised over their estimated useful life.

**I. Borrowing Cost**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets till the assets are ready for its use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**J. Provision and Contingencies**

The Company creates a provision when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

**K. Investments**

Long term Investments are stated at cost. Provision for diminution in value of long term Investments is made only if such decline is other than temporary.

**L. Foreign Currency Transactions**

i) Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate at the date of the transaction.

ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognised as income or expenses in the period in which they arise except in case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which case such exchange differences are adjusted in the carrying amount of fixed assets.

**M. Lease**

Lease payments under an operating lease are recognised as expenses in the statement of Profit and Loss as per terms of lease agreement.

**N. Inventories**

Raw materials, work-in-progress and finished goods are valued at lower of cost or net realizable value. However, materials held for use in the production of finished products are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Chemicals and Stores and Spare Parts are valued at cost. Cost of Inventories is generally computed on weighted average/FIFO basis.

**O. Taxation**

Current tax is determined as the amount of Tax Payable in respect of taxable income for the year.

The deferred tax for timing difference between the book and tax profit for the year is accounted using tax rates and tax laws that have been enacted or substantially enacted at the - Balance Sheet date. Deferred Tax assets arising from the timing difference are recognised to the extent that there is reasonable certainty that sufficient future taxable income will be available.

**P. Research and Development**

Revenue expenditure is charged as an expense in the year it is incurred. Expenditure which results in the creation of capital assets is taken as fixed assets and depreciation is provided on such assets as are applicable.

**Q. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

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## SHREE BHAWANI PAPER MILLS LIMITED

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**R. Earning per Share**

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares.)

**S. Government Grants**

Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve. Revenue grants are credited in statement of Profit & Loss or deducted from related expenses.

**T. Claims**

In accordance with the consistent practice, insurance and other claims, to the extent considered recoverable, are accounted for in the year relevant to claim while the balance is accounted for on settlement.



**SHREE BHAWANI PAPER MILLS LIMITED**  
Registered Office : 33, Dayanand Marg, Allahabad 211 002 email : info@shbhawani.com  
CIN : L21015UP1979PLC004783 Website : www.shbhawani.com

**PROXY FORM**

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

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

I/We, being the member (s) of .....shares of the Shree Bhawani Paper Mills Ltd., hereby appoint:

1. Name : ..... of ..... having an E-mail ID : ....., failing him / her;
2. Name : ..... of ..... having an E-mail ID : ....., failing him / her;
3. Name : ..... of ..... having an E-mail ID : .....,

whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 30<sup>th</sup> September, 2015 at Registered Office of the Company at 33, Dayanand Marg, Allahabad - 211 002, at 11:30 am and at any adjournment thereof in respect of the Resolutions as indicated below :

Sl. No.	Resolution	For*	Against*
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015		
2.	Re-appointment of Shri Badri Vishal Tandon as Director, who retires by rotation.		
3.	Re-appointment of M/s P.L. Gupta & Co. Chartered Accounts, as Auditors and to fix their remuneration.		
4.	Appointment of Smt. Lakshmi Kumari as Director of the Company, who retires by rotation.		
5.	Adoption of new set of Articles of Association containing regulations in conformity with the Companies Act, 2013.		
6.	Ratification of remuneration of Shri Rakesh Misra, Cost Accountant as Cost Auditors for the year 2015-16		

Signed this..... Day of.....2015.  
(Date) (Month)

Affix Revenue Stamp
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Signature of Shareholder(s)  
Signatures of :

.....  
First Proxy Holder Second Proxy Holder Third Proxy Holder

**Notes :**

- \*1. Please put a 'X' in the Box in the appropriate column. If you leave 'For' or 'Against' column blank in respect of any or all of the Resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
2. **Proxy need not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
3. This form of proxy in order to be effective should be duly executed and deposited at the Registered Office of the Company at 33, Dayanand Marg, Allahabad - 211 002 at least 48 hours before the time of the Meeting.

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**SHREE BHAWANI PAPER MILLS LIMITED**  
Registered Office : 33, Dayanand Marg, Allahabad 211 002 email : info@shbhawani.com  
CIN : L21015UP1979PLC004783 Website : www.shbhawani.com

**ATTENDANCE SLIP**  
36<sup>th</sup> Annual General Meeting  
September 30, 2015

Folio No. ....  
DP ID-Client ID.....

Full Name of the Shareholder / proxy attending the Meeting  
.....  
(First Name) (Second Name) (Surname)

FIRST HOLDER / JOINT HOLDER / PROXY (Strike out whichever is not applicable)

FULL NAME OF FIRST HOLDER.....  
(If Joint Holder / Proxy attending) (First Name) (Second Name) (Surname)

.....  
Signature of the Shareholder / Proxy

**Please note that no gifts will be given at the Meeting**

**BOOK POST  
UNDER CERTIFICATE OF POSTING**

If undelivered, please return to :  
**Shree Bhawani Paper Mills Ltd.,  
33, Dayanand Marg,  
Allahabad—211 002**