CHADHA PAPERS LTD.

WAVE INC.
A World of Trust

CIN-L21012UP1990PLC011878
REGISTERED OFFICE:
Chadha Estate, Nanital Road
Tehsil Bilaspur - 244921Distt. Rampur (UP)
Ph. No.: 0120-4325461, 4120849
Email Id: chadhapapersltd@gmail.com
Website: www.chadhapaperslimited.com

CORPORATE OFFICE:
825, 8th Floor, World Trade Tower
Sector – 16 , Noida – 201301
Ph. No.: 0120 - 4106161

Dated: 26.10.2018

To,
Bombay Stock Exchange Limited,
Floor 25
P.J. Towers, Dalal Street,
Mumbai-400 001

Dear Sir,

Reg. **Scrip Code: 531946**

Sub: Annual Report 2017-18

Pursuant to Regulation 34 of SEBI LODR, Regulations, 2015 we are submitting herewith the Annual Report of the Company for the F.Y. 2017-18 adopted and approved by members of the Company at the 28th Annual General Meeting of the Company held on 27th Day of September, 2018 at 12.30 PM at its registered office.

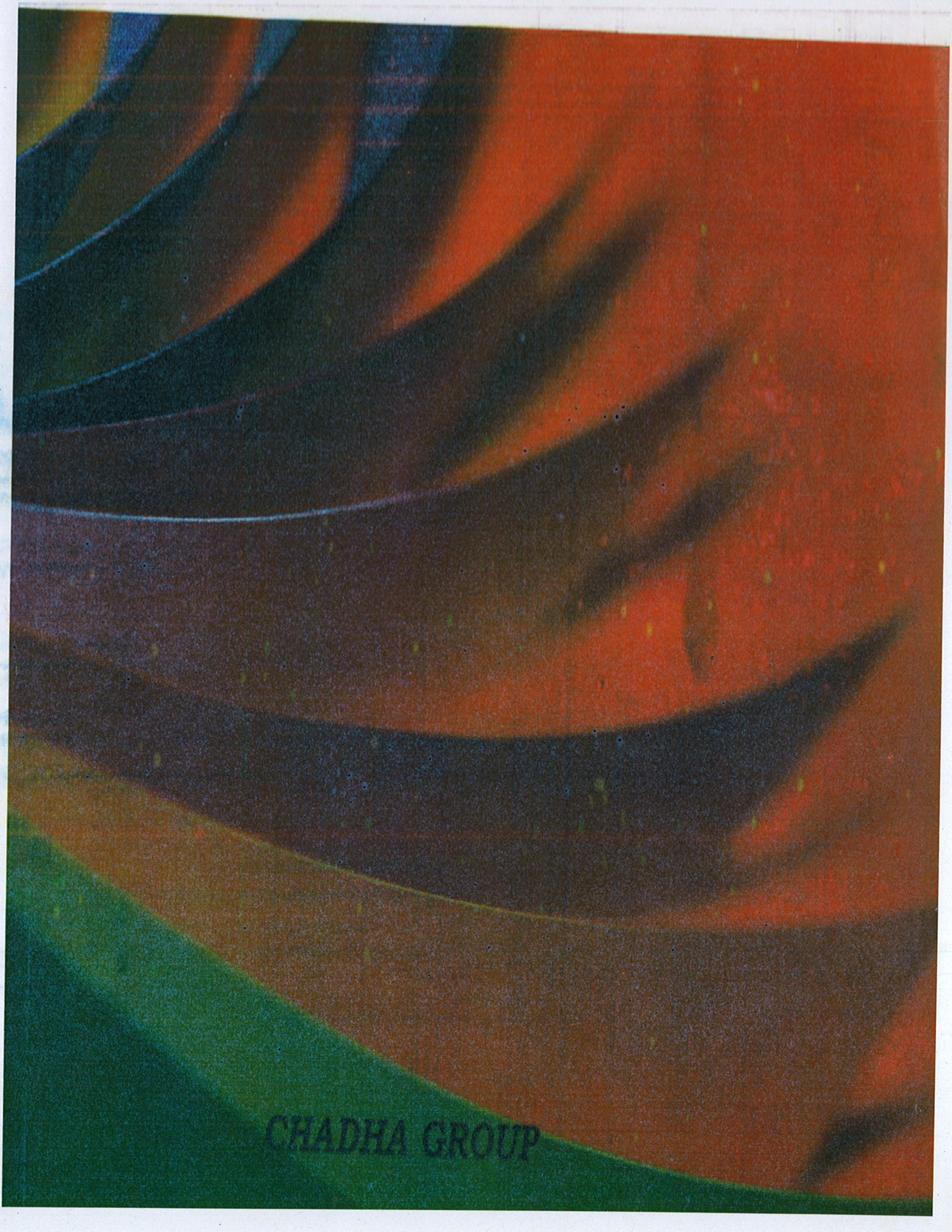
Please take the above on record and oblige.

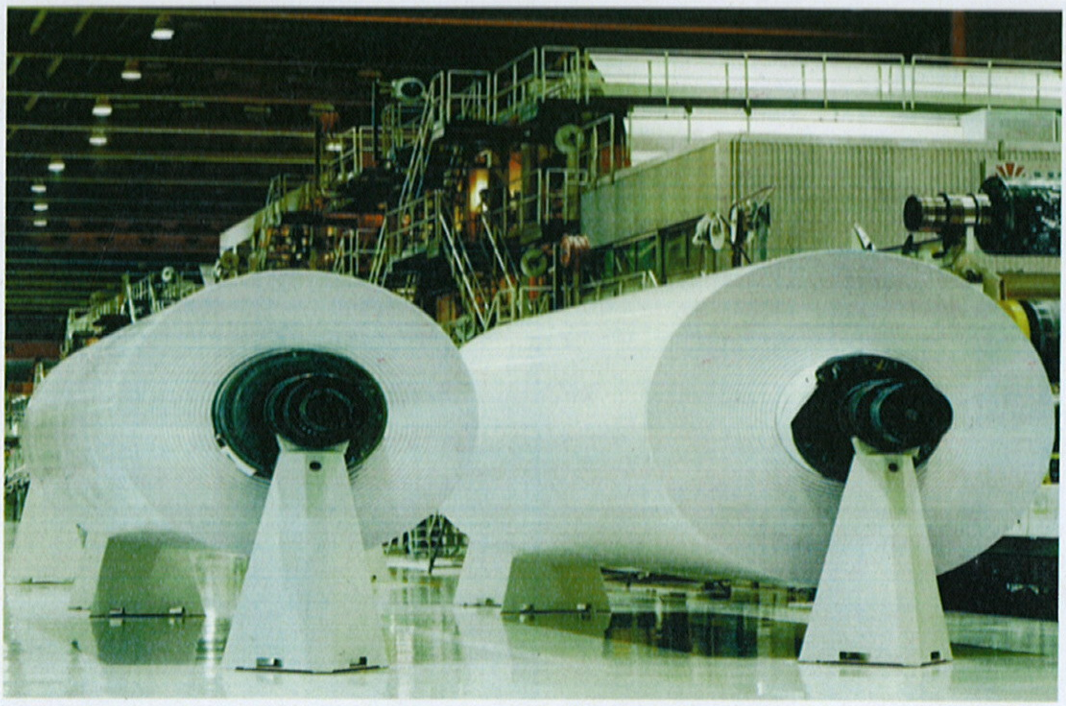
For and on behalf of
Chadha Papers Limited

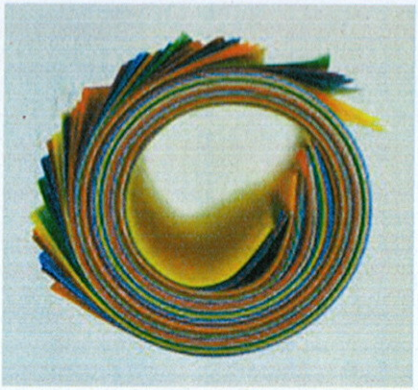
Kuldeep Tiwari

Chadha Papers Limited
Nainital Road
Bilaspur
Distt. Rampur
(U.P.)

Kuldeep Tiwari
Company Secretary
Membership No: 51234


CHADHA GROUP





CHADHA PAPERS LIMITED

28TH ANNUAL REPORT - 2018

BOARD OF DIRECTORS

Mr. Amanbir Singh Sethi	Whole Time Director
Mr. Sanmeet Singh	Non-Executive Director
Mr. Naveen Sexena	Independent Director
Mr. Anand Sharma	Independent Director
Mrs. Surjeet Kaur	Independent Woman Director

COMPANY SECRETARY

Mr. Rahul

STATUTORY AUDITORS

SNMG & CO.
Chartered Accountants,
F-378, Sarita Vihar,
New Delhi-110076

REGISTRARS & SHARE TRANSFER AGENTS

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
New Delhi-110020

REGISTERED OFFICE

Chadha Papers Limited (CIN: - L21012UP1990PLC011878)
CHADHA ESTATE NANITAL ROAD
BILASPUR, RAMPUR
UTTAR PRADESH – 244921, Phone No's:-:-, 0120-4325461, 8392931162

CORPORATE OFFICE

Chadha Papers Limited
B-5, SECTOR 52
Noida, Uttar Pradesh-201301, Phone No's:- 0120-4106161, 7290036199

CONTENTS OF ANNUAL REPORT OF CHADHA PAPERS LIMITED
28th ANNUAL GENERAL MEETING

CONTENTS

CHADHA PAPERS LTD.

WAVE INC.

CIN-L21012UP1990PLC011878
REGISTERED OFFICE:
Chadha Estate, Nanital Road
Tehsil Bilaspur - 244921
Distt. Rampur (UP)
Ph. No.: 9105388000
Email Id: chadhapapersltd@gmail.com
Website: www.chadhapaperslimited.com

CORPORATE OFFICE:
B – 5, Sector – 52
Noida – 201301 (UP)
Ph. No.: 0120 - 4325461
4120849

NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the Members of **"CHADHA PAPERS LIMITED"** (CIN: L21012UP1990PLC011878) will be held on Thursday, the 27th day of September, 2018 at 12:30 PM at the Registered Office of the Company at Chadha Estate, Nainital Road, Bilaspur, Rampur, Uttar Pradesh – 244921, Distt Rampur (UP), India to transact the following business:

ORDINARY BUSINESSES:

1. TO RECEIVE, CONSIDER AND ADOPT FINANCIAL STATEMENTS

(i) To receive, consider and adopt the Audited Financial Statements (Standalone) of the Company for the Financial Year ended 31st March 2018, together with the Reports of the Auditors and Board of Directors thereon.

(ii) To receive, consider and adopt the Audited Financial Statements (Consolidated) of the Company for the Financial Year ended 31st March 2018, together with the Report of the Auditors thereon.

2. TO APPOINT DIRECTOR IN PLACE OF THOSE RETIRING BY ROTATION

To appoint a Director in the place of Mr. Sanmeet Singh (DIN: 01139468), who retires by rotation and being eligible, offers himself for re-appointment.

3. TO APPOINT STATUTORY AUDITORS

To appoint M/s Khandelia & Sharma, Chartered Accountants, having FRN-510525C as the Statutory Auditors of the Company in place of M/s SNMG & Co., who was appointed as Statutory auditors in F.Y. 2017 for second term till the conclusion of Annual General Meeting to be held in F.Y. 2018 and who will cease to be the Statutory Auditors of the Company on conclusion of the ensuing Annual General Meeting, and to fix their remuneration, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Section 139, 141, 142 and other applicable provisions, if any, of Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and as recommended by the Audit Committee, M/s. Khandelia & Sharma, Chartered Accountants (FRN-510525C), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company to be held in 2023 and at such remuneration as decided, on the basis of recommendation of Audit Committee, by the Board of Directors of the Company in consultation with them and reimbursement of out of pocket expenses incurred by them."

SPECIAL BUSINESSES:

4 TO RATIFY REMUNERATION OF COST AUDITOR FOR F.Y. 2018-19.

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

"**RESOLVED THAT** pursuant to the provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time and for time being in force, the remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes, if any, and out of pocket expenses in relation to the Cost Audit of the Company, to be paid to M/s Ajay Kumar Singh & Co., Cost Accountants, having Firm Regn. No.000386, appointed as Cost Auditor by the Board of the Company in its meeting held on 28th August, 2018 to conduct the audit of cost records maintained pursuant to the aforesaid provisions by the Company for the financial year to be ended on 31st March, 2019 be and is hereby approved and ratified."

5. TO APPROVE RELATED PARTY TRANSACTION

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof and in force for time being), the approval of the members of the Company be and is hereby accorded for entering into any contract/arrangement/transactions with "M/s Amanbox Factory Private Limited" for a period from 01st October, 2018 to 30th September, 2019, as per details provided in the explanatory statement annexed to this Notice, and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and M/s Amanbox Factory Private Limited.

RESOLVED FURTHER THAT Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise, and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard."

6. TO APPROVE RELATED PARTY TRANSACTION

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof and in force for time being), the approval of the members of the Company be and is hereby accorded for entering into any contract/arrangement/transactions with "M/s ATPAC Industries", a partnership firm, for a period from 01st October, 2018 to 30th September, 2019, as per details provided in the explanatory statement annexed to this Notice, and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and M/s ATPAC Industries.

RESOLVED FURTHER THAT Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise, and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard."

7. TO RE-APPOINT MR. AMANBIR SINGH SETHI (DIN: 01015203) AS WHOLE TIME DIRECTOR

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 and Schedule V thereto (including any amendment, modification and re-enactment thereof and in force for time being) and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable, and as per recommendations of the Nomination and Remuneration Committee, the approval of the Company be and is hereby granted to the re-appointment of Mr. Amanbir Singh Sethi as Whole Time Director of the Company for a period of one year w.e.f. September 01st, 2018 to 31st August 2019 on the following terms and conditions including remuneration, as approved by Nomination & Remuneration Committee of the Board of Directors of the Company:-

a. Mr. Amanbir Singh Sethi will get a salary of Rs. 5,00,000/- (Rupees Five Lacs) per month, and

b. Such other terms and conditions as are applicable to other employees of the Company.

RESOLVED FURTHER THAT in the event of there being no profit or inadequate profit for the financial year the aforesaid remuneration payable shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any questions or doubt that may arise in relation thereto, for giving effect to the forgoing resolution in the best interest of the Company."

By the order of the Board
For Chadha Papers Limited

Amanbir Singh Sethi
(Whole Time Director)
DIN:-01015203
Address: 175-I, Sarabha Nagar,
Ludhiana, Punjab-141001

Place: Noida
Date: August 28, 2018

Registered Office:
Chadha Estate, Nainital Road, Bilaspur,
Rampur, Uttar Pradesh – 244921, Distt Rampur (UP), India

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.

   A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.

3. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days notice in advance in writing of intention to inspect the proxy lodged is given to the company.

4. The Proxy-holder shall prove his/her identity at the time of attending the Meeting.

5. A statement giving details of the directors seeking appointment, re-appointment, nature of their expertise in specific functional areas, name of the companies in which they hold directorships, membership / chairpersonships for Board / Committees, shareholding and relationship between the directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Annexure.

6. The Register of Members and Share Transfer books of the Company will remain closed from 22nd September, 2018 to 27th September, 2018 (both days inclusive), for the purpose of Annual General Meeting of the Company.

7. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. Documents relating to any of the items mentioned in the notice are open for inspection at the registered office of the company on any working days during business hours till the date of AGM provided a three days notice for the purpose is given in advance.

10. Only bona-fide members of the company whose names appear on the register of members/proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

11. Members are requested to inform the company immediately, if any change in their address.

12. 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 / Registrar & Share Transfer Agent.

13. Members desirous of seeking any information concerning the Accounts of the Company are required to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

14. The voting rights of members for remote e-voting or for voting through poll paper at the Annual General Meeting shall be in proportion to their shares to the paid up equity share capital of the company as on the cut-off date i.e. Friday, 21st September, 2018.

15. Members / Proxies are requested to please bring their copies of Annual Report to the meeting.

16. The Company's shares are listed on BSE, Mumbai, The same are not traded since the trading has been suspended. However the Company has received the approval of BSE revoking the suspension in trading in shares of the Company and in terms of Notice of revocation of suspension in trading in shares of the Company dated 23.08.2018 available at BSE website i.e. www.bseindia.com, w.e.f. 31st August, 2018 the trading in the shares of the company will commence. (The Company's shares were also listed on UPSE, Kanpur and DSE, Delhi but both these Stock Exchanges are not in operations now.)

17. All members/shareholders of the Company are advised to get their shares dematerialized since no trading in physical form is permitted on Stock Exchange.

18. The route map for the venue of the Meeting is annexed herewith.

19. Members are requested to send all communication relating to shares to the Company's Registrar and Share Transfer Agent at M/s. Skyline Financial Services Private Limited, D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.

20. Members/Proxies are requested to bring the Attendance Slip, dully filled in and signed, as per specimen signature(s) registered with the Company, and handover the same at the entrance for admission to the meeting. In absence thereof, they may not be admitted to the meeting venue.

21. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depositary Participant for the purpose.

22. Members are requested to register their e-mail addresses with the Registrar and Share Transfer Agent of the Company for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically in future.

23. In all correspondence with the Company, members are requested to quote their Folio Number /Client Id of their demat Accounts.

24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 will be available for inspection by the members of the Company at the venue of the Annual General Meeting.

25. **Voting through electronic means:-**

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in force for time being, (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to exercise their right to vote on the resolutions proposed to be transacted at the ensuing Annual General Meeting (AGM) as mentioned in the Notice through electronic voting system to its members holding shares as on 21st September, 2018 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Securities Limited (CDSL). The detailed instructions to be followed in this regard have been given below. The members are requested to go through them carefully.

The instructions for voting through electronic means (voting) are as under:

i. The voting period begins on 09.00 A.M. (IST) on 24th September, 2018 and ends at 05:00 P.M. (IST) on 26th September, 2018. During this period shareholders' of the Company, holding shares as on the cut-off date of 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
iii. Click on "Shareholders" tab.
iv. Now Enter your User ID
    a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are holding shares in physical form or first time user in case holding shares in demat form, follow the steps given below:

For members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both De-mat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence* number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB Dividend Bank Details	Please enter the DOB (dd/mm/yyyyformat) or Dividend Bank Details in order to login. Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or Folio in dd/mm/yyyy format. If the details are not recorded with the depository or company please enter the Member ID / Folio no. in the Dividend Bank details field. Enter the Dividend Bank details as recorded in our demat account or in the Company records for the said demat account or Folio Number. *sequence number shall be as per separate sheet attached with the Annual Report.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the De-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN (180827093) for the <Chadha Papers Limited> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii)Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m- Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

- Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked to login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com help section or write an email to helpdesk.evoting@cdslindia.com.

26. M/s M.K. Mandal & Associates, Company Secretaries in practice, (CP No. 4968), who have communicated their willingness to the said appointment, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of two working days from the conclusion of e- voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

27. The Results shall be declared within two working days from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.chadhapaperslimited.com and on the website of CDSL and communicated to the Stock Exchanges.

28. The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

29. Any person who becomes member of the Company after dispatch of the Notice of the AGM and holding shares as on cut-off date, i.e. 21st September, 2018 may obtain the User ID and password from M/s Skyline Financial Services Private Limited (Registrar & Share Transfer Agent)

30. Details of Director seeking Re-Appointment at the Annual General Meeting (Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standard - 2)

PARTICULARS	MR. SANMEET SINGH
DIN	01139468
DATE OF BIRTH	08-02-1981

DATE OF APPOINTMENT	01-07-2011
QUALIFICATIONS	B.Com
EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	BUSINESS ADMINISTRATION
EXPERIENCE (IN YEARS)	09
CHAIRMANSHIPS/ DIRECTORSHIPS I N LISTED ENTITIES.	NIL
CHAIRMANSHIPS/MEMBERSHIPS OF COMMITTEES OF LISTED COMPANIES	NIL
NUMBER OF SHARES HELD IN THE COMPANY	NIL
RELATIONSHIP WITH OTHER DIRECTORS, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL	HE IS NOT RELATED TO ANY DIRECTOR, MANAGER AND OTHER KEY MANAGERIAL PERSONNEL OF THE COMPANY.

INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 2

RE-APPOINTMENT OF MR. SANMEET SINGH

A) A brief resume of the Director

Mr. Sanmeet Singh, aged about 38 years, is a graduate in commerce and has 9 years of experience in Business Administration. He has been associated with the Company for 4 Years. Mr. Sanmeet Singh retires by rotation pursuant to Section 152 of Companies Act 2013 and being eligible offers himself for re-appointment. None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the resolution.

B) Nature of his expertise in specific functional Areas

Mr. Sanmeet Singh has 09 years of experience in the field of Business Administration. He also holds directorships in other private companies. Apart from paper Industry, Mr. Sanmeet Singh holds experience in real estate as well.

C) Disclosure of relationships between directors inter-se

There is no relationship amongst Directors inter-se.

D) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board

None.

E) Shareholding of non-executive director.

Mr. Sanmeet Singh does not hold any share in the Company nor for any other person on beneficial interest basis.

ITEM NO. 7.

RE-APPOINTMENT OF MR. AMANBIR SINGH SETHI AS WHOLE TIME DIRECTOR

A) A brief resume of the Whole Time Director

Mr. Amanbir Singh Sethi is an MBA and holds vast experience of 11 years in Industrial and Business Administration. The Board of the Directors, on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Amanbir Singh Sethi as Whole Time Director of the Company. He has been associated with the company for last few years. Company has been performing excellently under his guidance. He is the key behind the success of the Company. Mr. Amanbir Singh Sethi also holds directorships in other private Companies.

B) Nature of his expertise in specific functional Areas

He has experience in the business of corrugated Boxes, PET Packaging materials and other related products. He looks after the business development function of the Company.

C) Disclosure of relationships between directors inter-se

There is no relationship between directors inter-se.

D) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board

None.

ANNEXURE

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

ITEM NO. 4

The Board of Directors of Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s Ajay Kumar Singh & Co. Cost Accountants, to conduct the audit of cost records of the Company for the 2018-19 in their meeting held on 28th August, 2018. In terms of provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the members of the Company.

Accordingly, the resolution is placed for ratification of the remuneration payable to Cost Auditors by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 5 & 6

The Company is required to purchase its raw material (waste papers) and sell the finished goods, which it also does through its related parties i.e. M/s Amanbox Factory Private Limited and M/s ATPAC Industries.

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), prescribe certain procedure for approval of related party transactions including seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the following contracts/arrangements/ transactions are requiring the approval of the unrelated shareholders of the Company by an Ordinary resolution:-

S. No.	Name of Related Party	Relationship	Monetary Value* (in Rs.)
1.	M/s Amanbox Factory Private Limited	Common Director	50 Crore
2.	M/s ATPAC Industries	Common Control	50 Crore

*maximum annual value of transactions per annum.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

S. No.	PARTICULARS	DETAILS	
1	Name of Related Party	M/s Amanbox Factory Private Limited	M/s ATPAC Industries
2	Name of the Director or key managerial personnel who is related, if any	Mr. Amanbir Singh Sethi	None
3	Nature of Relationship	Mr. Amanbir Singh Sethi, Whole Time Director holds directorship in Related Party.	Common Control. Partners of the related party are promoters of the company and holding more than 50% of voting power in the Company.
4	The nature, material terms, monetary value and particulars of the contract or arrangement	All transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business. The monetary value of the transactions shall not exceed the amount mentioned herein before during the period from 01.09.2018 to 31.08.2019.	
5	Any other information relevant or important for the members to take a decision on the proposed resolution	All the transactions with the related parties shall be in the ordinary course of business and at arms' length and in the best interest of the Company.	

As per Regulation 24(4) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company will not vote on this resolution.

The Board of directors recommends the resolutions as set out at item nos. 5 & 6 to be passed as an Ordinary Resolution.

None of the Directors except Mr. Amanbir Singh Sethi, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested, financially or otherwise, in the resolutions.

ITEM NO. 7

Mr. Amanbir Singh Sethi, Whole Time Director of the Company, was appointed for two year, which will expire on 31.08.2018. Keeping in view his experience and effectiveness in operation of the Company the Board of the Directors, on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Amanbir Singh Sethi as Whole Time Director of the Company for one more year i.e. from 01.09.2018 to 31.08.2019. Mr. Amanbir Singh Sethi is an MBA and holds vast experience of 11 years in Industrial and Business Administration. He also holds Directorship in the following Companies:-

1. Aman Box Factory Pvt. Ltd.
2. Realty 27 Pvt. Ltd.
3. Patiala Kings Liquor Pvt. Ltd.

The Board considers that Mr. Amanbir Singh Sethi continued association would be of immense benefit to the Company and it is in the interest of the Company to continuously avail the service of Mr. Amanbir Singh Sethi as Whole Time Director of the Company.

As per the requirement of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment, modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and in terms of SEBI LODR Regulations, the approval of members of the Company is required for his appointment including the terms of his re-appointment and remuneration.

The details of terms of re-appointment and remuneration payable to Mr. Amanbir Singh Sethi are as follows:-

1. The aforesaid re-appointment of Mr. Amanbir Singh Sethi as Whole Time Director shall be for a period of one year w.e.f. 01.09.2018 to 31.08.2019.

2. During the his tenure as Whole Time Director Mr. Amanbir Singh Sethi will get a salary of Rs. 5,00,000/- (Rupees Five Lacs Only) per month.

3. In addition to the basic pay, during his tenure as Whole Time Director of the Company, he shall be entitled to such other benefits as are available to other employees of the Company.

   However in case of loss or inadequate profit, his total remuneration shall not exceed the limit as prescribed under the provisions of the Companies Act 2013.

4. Duties and Responsibilities: During the term of the Agreement, he shall devote such time and attention to the business of the Company as may be necessary and responsible for the general conduct and management of the business and affairs of the Company, and shall have such powers and carry out such duties and responsibilities as may be entrusted by the Board.

The Board recommends the Resolution set forth in Item No. 7 of the Notice for approval of the members as **Special Resolution**.

None of the Directors, except Mr. Amanbir Singh Sethi, Whole Time Director, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the resolution.

Information as required in Part II(B)(IV) of Schedule V to Companies Act, 2013 is as follows:-

	GENERAL INFORMATION:		
1	Nature of industry	Paper Industry	
2	Date or expected date of commencement of commercial production	The company started commercial production in the year 1990.	
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.	
4	Financial performance based on given indicators		
		31.03.2018	**31.03.2017**
	REVENUE (Rs.)	4,23,87,72,279	2,79,07,08,888
	PBT (Rs.)	**(4,02,85,988)**	**(6,78,31,300)**
	TAXES (Rs.)	(1,21,67,386)	2,19,03,605
	EQUITY SHARE CAPITAL (Rs.)	10,20,40,400	10,20,40,400
	RESERVE & SURPLUS (Rs.)	(33,09,94,136)	(30,32,97,995)
	NETWORTH (Rs.)	(22,89,53,736)	(20,12,57,595)
5	Foreign investments or collaborations, if any.	No	
	INFORMATION ABOUT THE APPOINTEE:		
1	Background details	Mr. Amanbir Singh Sethi is an MBA and possesses experience of more than 11 years in Paper & Related Industry.	
2	Past remuneration	Rs. 5,00,000/- (Rupees Five Lacs Only) per month.	

3	Recognition or awards	N.A
4	Job profile and his suitability	Mr. Amanbir Singh has been associated the Company for last few Years and possess experience in paper and related industry. He has experience in manufacturing of corrugated Boxes, PET Packaging materials and other related products. He also looks after the business development function of the Company.
5	Remuneration proposed	Rs. 5,00,000/- (Rupees Five Lac Only) per month)
6	Comparative remuneration profile with respect to industry, size of the company	Information on comparative remuneration profiles with respect to industry, size of the Company is not available.
7	Profile of the position and person	Whole Time Director
8	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	NO
	OTHER INFORMATION:	
1	Reasons of loss or inadequate profits	Due to adoption of Indian Accounting Standards.
2	Steps taken or proposed to be taken for improvement	Technology of the Plant and Machinery has been upgraded to improve the paper quality and reduce Cost. All three units are now started operations.
3	Expected increase in productivity and profits in measurable terms	The Company has achieved its full capacity utilization, which will generate more revenue and also the profitability of the Company. The Company is also exploiting export of its products. Company has been performing better than the previous years and the Company expects to increase its revenue to Rs. 450 Crores (approx.) and profitability to Rs. 5.00 Crores (approx).

FORM NO. MGT.11 – PROXY FORM

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

CIN: **L21012UP1990PLC011878**

Name of the company: **CHADHA PAPERS LIMITED**

Registered office: **CHADHA ESTATE, NAINITAL ROAD, BILASPUR, RAMPUR, UTTAR PRADESH – 244921, DISTT RAMPUR (UP), INDIA**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:
   Address:
   E-mail Id:
   Signature: ...., or failing him
2. Name:
   Address:
   E-mail Id:
   Signature: ...., or failing him
3. Name:
   Address:
   E-mail Id:
   Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday, 27th day of September, 2018 at 12:30 P.M. at the Registered Office of the Company at Chadha Estate, Nainital Road, Bilaspur, Rampur, Uttar Pradesh – 244921, Distt Rampur (UP), India and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Resolution:

1. To receive, consider and adopt:
   (i) The Audited Financial Statements (Standalone) of the Company for the Financial Year ended 31st March 2018, together with the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)
   (ii) The Audited Financial Statements (Consolidated) of the Company for the Financial Year ended 31st March 2018, together with the Reports Auditors thereon. (Ordinary Resolution)
2. To appoint a Director in the place of Sh. Sanmeet Singh (Din: 01139468), who retires by rotation and, being eligible, offer himself for re-appointment; (Ordinary Resolution)

3. To appoint M/s. M/s Khandelia & Sharma, Chartered Accountants, having FRN-510525C as the statutory auditors of the company and to fix their remuneration; (Ordinary Resolution)

Special Business:

4. To ratify the remuneration of Cost Auditor for the financial Year 2018-19; (Ordinary Resolution)
5. To approve Related party Transaction with M/s Amanbox Factory Private Limited; (Ordinary Resolution)
6. To approve Related Party Transaction with M/s ATPAC industries; (Ordinary Resolution)
7. To re-appoint Mr. Amanbir Singh Sethi as Whole Time Director (Special Resolution)

Affix Revenue Stamp

Signed this .... day of 2018

Signature of shareholder
Signature of Proxy holder(s)

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

ATTENDANCE SLIP

Registered Folio No./Client ID	
Name and Address of the Shareholder(s):	
No. of Shares:	

1. I hereby record my presence at the 28th Annual General Meeting of the company held on Thursday, the 27th day of September, 2018 at 12:30 P.M. at the Registered Office of the Company at Chadha Estate, Nainital Road, Bilaspur, Rampur, Uttar Pradesh – 244921, Distt Rampur (UP), India.

2. Signature of the Member / Proxy Present: ....

3. Member / Proxy Holder wishing to attend the meeting must bring the duly signed Attendance Slip to the meeting.

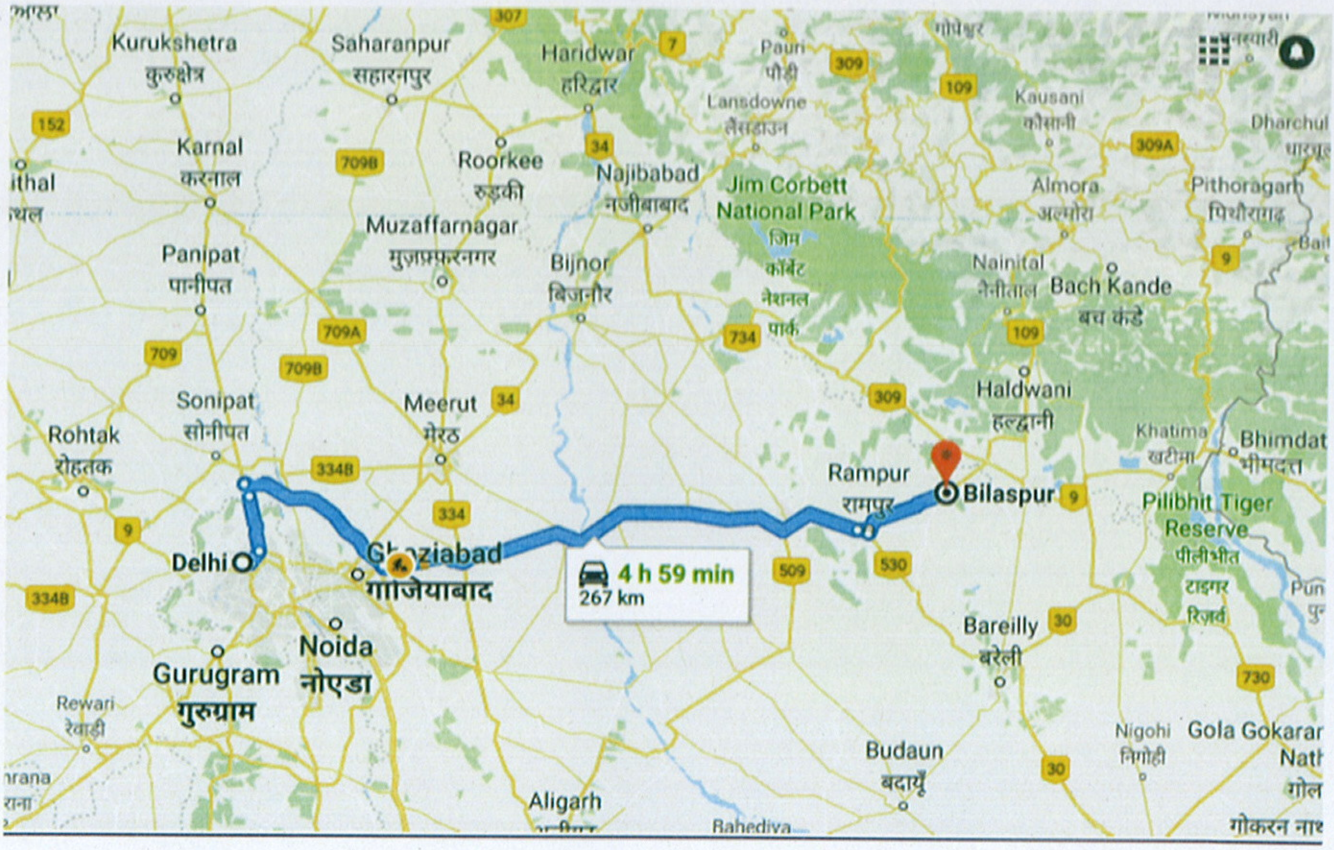
4. Member/Proxy holder attending the Meeting should bring copy of the Annual Report for reference at the Meeting.

5. A proxy need not be a member of the Company.

ELECTRONIC VOTING PARTICULARS		
(Remote E-Voting Event Number)	**USER ID**	**PASSWORD**
180827093		

Note: Please follow the e-voting instructions mentioned in the Notice of 28th Annual General Meeting of the Company.

<u>Route Map to the Venue of Meeting</u>



BOARD REPORT

Dear Members,

Your directors have pleasure in presenting their 28th Annual Report on the affairs of the company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

1) FINANCIAL SUMMARY

The Company's financial performances for the financial year under review along with previous financial year's figures are given hereunder:

(In Rupees)

Particulars	**F.Y. ended on 31st March, 2018**	**F.Y. ended on 31st March, 2017**
Total Revenue	4,250,937,719	2,936,950,440
Total Expenditure	4,291,412,095	2,869,269,407
Profit/(Loss) before taxation	(4,04,74,376)	67,681,033
Less: Tax Expense		
- Current Income Tax / Wealth Tax	-	-
- Deferred Income Tax	(1,21,67,386)	2,19,03,605
Profit/(Loss) after tax	(2,83,06,990)	45,777,428

2) DIVIDEND

No dividend has been declared by the Company.

3) *AMOUNTS TRANSFERRED TO RESERVES*

No amount has been transferred to reserves during the year under review.

4) STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Your Company is engaged in the business of manufacturing, producing, marketing, exporting and dealing in all kinds and varieties of paper, Board, Kraft Paper, Semi Kraft and other paper products. During the said reporting financial year, the Company has incurred a loss of Rs. 2,83,06,990 /- (Rupees Two Crore Eighty Three Lakh Six Thousand Nine Hundred Ninety Only).

During the year under review, your Company has achieved a Total Revenue of approx. Rs 423.87 crores as against Rs. 279.07 crores recorded in the previous year.

Your Company is focusing on repositioning of product lines, improving internal efficiencies and making investments in expansion and building production capacities and to further penetrate in the global market. Your Company expects high revenue in the coming years.

5) CHANGE IN NATURE OF BUSINESS

There has not been any change in the nature of business of the Company.

6) DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

7) INTERNAL FINANCIAL CONTROLS

The Company has appointed Internal Auditors to check the Internal Controls and also check whether the workflow of the organization is in accordance with the approved policies of the Company. Board of Directors has adopted proper procedure and policies for ensuring the efficient conduct of business, including proper utilization of resources, safeguarding of its assets, detection of frauds and errors and timely preparation of Financial Statements and fair and true disclosure in the same.

Company has appointed Mr. Deepak Babu, Membership No. (071579), as the Internal Auditor to monitor and evaluate adequacy of internal control system in the Company. Internal Auditors submit their report on the last day of every month to the management and based on the report of internal audit function, process owners take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions are reported to the Audit Committee.

8) AUDITORS' REPORT

Auditors report for the year is self-explanatory and require no further comments or clarification, except the following for which management's response is also given:-

Sr. No.	STATUTORY AUDITORS OBSERVATIONS /REMARKS /QUALIFICATIONS	MANAGEMENT/BOARD RESPONSE ON OBSERVATIONS OF STATUTORY AUDITOR
1	***All fixed assets of the Company have not been physically verified by the Management during the Year. We have informed that the Company is in the process of implementing the programme of periodical verification of the fixed assets immediately after completion of the records.***	***Physical verification of all assets is over.***

9) STATUTORY AUDITORS

The Auditors, M/s. SNMG & Co, Chartered Accountants who was appointed as Statutory auditors of the Company in F.Y. 2017 for second term till the conclusion of Annual General Meeting to be held in F.Y. 2018 and who will cease to be the Statutory Auditors of the Company on conclusion of the ensuing Annual General Meeting.

Therefore, Pursuant to the applicable provisions of the Companies Act, 2013, on the recommendation of the Audit Committee of the Board, it is proposed to appoint M/s. Khandelia & Sharma, Chartered Accountants, having FRN-510525C as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company to be held in 2023.

Necessary resolution for the appointment of M/s Khandelia & Sharma, Chartered Accountants, having FRN-510525C as the Statutory Auditors of the Company in place of M/s SNMG & Co, is included in the Notice of the 28th Annual General Meeting.

10) <u>DISCLOSURE ABOUT COST AUDIT</u>

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the Company has appointed M/s. Ajay Kumar Singh & Co. as the Cost auditor to conduct the Cost Audit of the Company for the Financial Year 2017-18.

11) *DISCLOSURE ABOUT INTERNAL AUDIT*

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 the Board of Directors of the Company has appointed Mr. Deepak Babu, Membership No.-071579 as Internal Auditor to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2018.

12) *DISCLOSURE ABOUT SECRETARIAL AUDIT*

In terms of Section 204 of The Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Secretarial Audit is applicable to the Company for the year under review.

Your Company has availed the services of M/s M.K. Mandal & Associates (Membership No - 5538), Company Secretaries in practice to conduct the Secretarial Audit of the Company for the Financial Year ended March 31st 2018. The Secretarial Audit Report in Form MR -3 is attached as ***Annexure I*** to this Report.

Secretarial Auditors report for the year is self-explanatory and requires no further comments or clarification.

13) *MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY*

NIL

14) *DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(S)*

As on 31st March 2018, the Company has one Subsidiary as mentioned herein below:-

1. Manorama Paper Mills Limited (Subsidiary Company)

As per the requirements of Section 129(3) of the Companies Act 2013, the Company has prepared consolidated financial statements of the Company and its Subsidiary Company, which forms part of this Annual Report.

Further, a statement containing the salient features of the Subsidiary Company in the prescribed format AOC-1, is annexed as ***Annexure II***.

Your Company formulated a Policy on Material Subsidiary as required under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it has been reviewed by the Directors.

Also a separate statement indicating the performance of Subsidiary as required under Rule 8 of Companies (Accounts) Rules, 2014 are annexed in ***Annexure III.***

Company has not complied with the following requirements as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations; 2015:-

1. Company has not appointed any Independent Director of the Holding Company in its material Subsidiary Company.

2. The minutes of the Board Meetings of the subsidiary companies are not placed at the Board Meetings of the Holding Company.

15) <u>BOARD EVALUATION</u>

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. Accordingly, the performance evaluation process of the Board involves following multiple levels:-

- Board as a whole
- Committees of the Board
- Individual Directors and the Chairpersons (Including Independent and Non- Independent Directors)
- The Board has devised the following parameters for the performance evaluation of Directors and Committees:-
- Strategy and performance evaluation
- Governance and Compliance
- Knowledge and Competency

The Board subsequently evaluated its own performance, the working of its Committees (Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee respectively) and Independent Directors (without participation of the relevant Director).

16) <u>NUMBER OF BOARD MEETINGS</u>

The meetings are convened by the Board at regular intervals by giving appropriate advance notice to Directors.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days. During the Financial Year ended 31st March, 2018, Ten (10) meetings of the Board were held, details of which are as follows:

Sl. No.	Date of Board Meeting	Board Strength	Directors presence in Board meeting				
			Anand Sharma	Amanbir Singh Sethi	Sanmeet Singh	Naveen Sexena	Surjeet Kaur
1.	30/05/2017	4	Yes	Yes	Yes	Yes	No
2.	14/07/2017	3	No	Yes	Yes	Yes	No
3.	16/08/2017	4	Yes	Yes	Yes	No	Yes
4.	29/08/2017	5	Yes	Yes	Yes	Yes	Yes
5.	14/09/2017	5	Yes	Yes	Yes	Yes	Yes
6.	23/10/2017	5	Yes	Yes	Yes	Yes	Yes
7.	24/11/2017	5	Yes	Yes	Yes	Yes	Yes
8.	14/12/2017	5	Yes	Yes	Yes	Yes	Yes
9.	14/02/2018	4	Yes	No	Yes	Yes	Yes
10.	26/03/2018	4	Yes	Yes	Yes	Yes	Yes

17) PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are indicated in the financial Statements of the Company and forms part of this Annual Report.

18) *PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES*

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. Suitable disclosures as required have been made in the Notes to the financial statements.

The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies Accounts) Rules, 2014 is set out as ***Annexure IV.***

The related party transactions Policy has been placed on the website of your Company ***www.chadhapaperslimited.com.***

19) *FRAUDS REPORTED BY THE AUDITORS*

No fraud has been reported in their report for the financial year ended as on 31st March, 2018 by the Auditors of the Company under Section 143(12) of the Companies Act, 2013.

20) ***CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO***

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure V*** to this Report.

21) ***EXTRACT OF ANNUAL RETURN***

As per the requirement of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return, in format **MGT -9**, for the Financial Year 2017-18 has been enclosed with this report *as* ***Annexure VI.***

22) ***RISK MANAGEMENT***

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks i.e., competition, legal changes, change in Government policies, availability of finance, manpower as identified by the company are systematically addressed through mitigating actions on a continuing basis. The Company has a risk management policy for risk identification, assessment and control to effectively manage risk associated with the business of the Company. The Policy is available on the website of the Company i.e. *www.chadhapaperslimited.com*

23) ***DECLARATION BY INDEPENDENT DIRECTORS***

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of appointment of Independent Directors may be accessed on the Company's website at the link *www.chadhapaperslimited.com*.

24) ***DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS***

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same.

The Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The details of familiarization Programme is available on *www.chadhapaperslimited.com*

All the Independent Directors attended the Familiarisation Programme, which helped the Independent Directors to improve their expertise in Corporate Governance.

25) *COMMITTEES OF THE BOARD*

Currently, the Board has four Committees:-

A) Audit Committee.
B) Stakeholder's Committee.
C) Nomination & Remuneration Committee.
D) Corporate Social Responsibility Committee.

1. Audit Committee

The Audit Committee, constituted by the Board of Directors pursuant to Section 177 of the Companies Act 2013, and Regulation 18 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 comprises of three directors namely:-

The members of Audit Committee are as follows:-

i) Mr. Naveen Sexena, Chairman – Independent Director
ii) Mr. Anand Sharma, Member –Independent Director
iii) Mr. Amanbir Singh Sethi, Member – Whole Time Director.

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 27th September, 2017.

2. Nomination & Remuneration Committee

The Nomination & Remuneration Committee, constituted by the Board of Directors pursuant to Section 178 of the Companies Act 2013, Regulation 19 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 comprises of three directors namely:-

i) Mr. Naveen Sexena, Chairman, Independent Director
ii) Mr. Anand Sharma, Member, Independent Director
iii) Mr. Sanmeet Singh, Member, Non-Executive Director

The Committee is responsible to identify persons who are qualified to become directors or senior management employees and recommend to the Board their appointment /removal, compensation etc.

As per the requirement of Section 134(3)(e), Policy on Nomination and Remuneration of Directors is annexed herewith as ***Annexure VII***

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee, constituted by the Board of Directors pursuant to Section 178 of the Companies Act 2013 and Regulation 20 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 comprises of three directors namely:-

i) Mr. Anand Sharma, Chairman.
ii) Mr. Sanmeet Singh, Member.
iii) Mr. Amanbir Singh Sethi, Member.

Stakeholders Relationship Committee's role is to resolve the grievances of Security Holders and to note that all the grievances of Stakeholder's has been resolved timely during the year.

4. **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee, constituted by the Board of Directors pursuant to Section 135 of the Companies Act 2013, comprises of three directors namely:-

i) Mr. Anand Sharma, Chairman.
ii) Mr. Sanmeet Singh, Member.
iii) Mr. Amanbir Singh Sethi, Member.

26) *DETAILS REGARDING CORPORATE SOCIAL RESPONSIBILITY (CSR)*

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society. Company has the motive to:-

1. Drive the Development agenda in a manner that benefits the poor and other communities in our surroundings thereby significantly improving Human Life.
2. Move beyond mere asset creation to behavior change through focus on demand generation for all interventions thereby enabling participation, contribution and asset creation for the community.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

Your Company adopted a policy on Corporate Social Responsibility in the above mentioned meeting and the policy can be accessed through the web link – ***www.chadhapaperslimited.com***

27) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sanmeet Singh (DIN: 01139468), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the same for your approval.

Ms. Shifali Arora, Company Secretary of the Company was resigned from the office as on 16th of October, 2017 and Mr. Rahul Sharma has been appointed as the Company Secretary of the Company on the same date.

Mr. Atul Gupta CFO (KMP) of the Company was resigned from the office as on 14th day of August, 2017 and Mr. Ashish Gupta was appointed as CFO of the Company on 16th day of October, 2017.

Further, Mr. Ashish Gupta resigned from the office of CFO as on 14th day of December, 2017 and Mr. Mohit Agarwal has been appointed on the same date.

28) REMUNERATION POLICY

The Policy on selection of Directors including criteria for determining qualifications, positive attributes and Directors' Independence and the Remuneration Policy for Directors, Key Managerial Personnel and other employees, as required under sub-section (3) of Section 178 of the Companies Act, 2013 are available on the Company's website, which may be accessed at the www.chadhapaperslimited.com

29) *VIGIL MECHANISM/WHISTLE BLOWER POLICY*

The Company has implemented a Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower pursuant to which Whistle Blower can raise concerns relating to reportable manner such as breach of code of conduct, fraud, corruption, employee misconduct, misappropriation of funds etc. The same was hosted on the website of the Company. Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that the complaints received were addressed properly during the year.

The Board had approved Vigil Mechanism/ Whistle Blower Policy. The policy has been uploaded on the Company's website i.e. *www.chadhapaperslimited.com*.

30) *DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL*

There has been no order passed by any authority which impact the going concern status and company's operations in future.

31) *DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013*

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review:-

1) No. of complaints of sexual harassment received in the year – 0
2) No. of complaints disposed off during the year: Not applicable

32) *PARTICULARS OF REMUNERATION*

The Statement of particulars of Appointment and Remuneration of Managerial personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as ***Annexure VIII*** to this Annual Report.

33) *DIRECTORS RESPONSIBILITY STATEMENT*

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your directors confirm that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit /loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors, has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34) *CORPORATE GOVERNANCE REPORT*

The company is committed to maintain the highest standard of corporate governance and adhere to the corporate governance requirements set out by SEBI. Report on Corporate Governance is appended as ***Annexure IX.***

35) *AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE*

As per the requirements of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance is appended as ***Annexure X*** to this Board's Report.

36) *CEO / CFO CERTIFICATION*

The Whole Time Director and Chief Financial Officer of the Company have certified, in terms of Regulation 17(8) of the Listing Regulations, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations. A Certificate with respect to above said matter is annexed with this report as **Annexure XI**

37) *MANAGEMENT DISCUSSION AND ANALYSIS REPORT*

Pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Your Company has laid down a detailed analysis of the Company's operational and financial performance as well as the initiatives taken by the Company in key functional areas such as Human Resources, Quality etc. is separately discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report in ***Annexure XII.***

38) **DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.**

As per the requirements of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance is appended as ***Annexure XIII*** to the Board's Report.

ACKNOWLEDGMENT
The Board places on record its appreciation for the valuable support and co-operation for the various Govt. Agencies, Bank, customers, suppliers, client, employees and shareholders and look forward to their continued support in future.

By order of the Board
For Chadha Papers Limited

Place: Noida
Date: 28.08.2018

(Amanbir Singh Sethi)
Whole Time Director
DIN-01015203

(Sanmeet Singh)
Director
DIN-01139468

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018
[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
CHADHA PAPERS LIMITED
CIN:-L21012UP1990PLC011878
Address:-Chadha Estate, Nanital
Road, Bilaspur, Rampur
Uttar-Pradesh-244921

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

M/s M. K. Mandal & Associates
Company Secretaries

(Manoj Kumar Mandal)
Prop.
M. No. : 5538
C.P. No. : 4968

Date: 28th August, 2018
Place: New Delhi

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018
[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,
Chadha Papers Limited
CIN:-L21012UP1990PLC011878
Address:-Chadha Estate, Nanital Road, Bilaspur, Rampur
Uttar-Pradesh-244921

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chadha Papers Limited CIN: L21012UP1990PLC011878 (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 my opinion thereon.

Based on our verification of the Chadha Papers Limited 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 31st March 2018, 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:

Corporate Information

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Chadha Papers Limited ("the Company") for the financial year ended on 31st March, 2018 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;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

(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.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Delhi Stock Exchange and Uttar Pradesh Stock Exchange.

(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. During the period under review, the Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under, as required under the provisions of the Section 184 of the Companies Act, 2013.

2. The Company had filed the resolution in form MGT-14 with the Registrar of Companies with respect of the disinvestment of its investment in the Company in the Equity Shares of Subsidiary Company on 4th day of April, 2017.

3. The Company is listed on Bombay Stock Exchange, Uttar-Pradesh Stock Exchange and Delhi Stock Exchange and the status of the Company on all the Stock Exchanges suspended since 2001. **Further, as per BSE Notice dated 23.08.2018 having Notice No. 20180823-30, suspension in trading of equity shares of the Company will be revoked .**

4. The company has registered itself with the depositories i.e NSDL and CDSL for providing the

facility of dematerialisation of shares.

5. The Annual General Meeting for the financial year ended on 31st March 2017 was held on 27th September, 2017 after giving proper notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose and the Company has filed MGT-15 with the Registrar of Companies. The Company has also given E-voting option to its shareholders.

6. During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

7. The Company has not granted interest free loan/ advances to parties covered in the register maintained under Section 189 of the Companies Act during the year. The existing loan of Rs. 10.10 Lac granted to its subsidiary is outstanding.

8. During the period under review the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

9. Ms. Shifali Arora, Company Secretary of the Company was resigned from the office as on 16th of October, 2017 and Mr. Rahul Sharma has been appointed as the Company Secretary of the Company on the same date and the Company had filed the resolution in Form MGT-14 and DIR-12 for appointment of the Company Secretary under the provisions of the Companies Act, 2013.

10. Mr. Atul Gupta CFO (KMP) of the Company was resigned from the office as on 14th day of August, 2017 and Mr. Ashish Gupta was appointed as CFO of the Company on 16th day of October, 2017 and the Company had filed the resolution in Form MGT-14 and DIR-12 for appointment of the CFO under the provisions of the Companies Act, 2013. Further, Mr. Ashish Gupta resigned from the office of CFO as on 14th day of December, 2017 and Mr. Mohit Aggarwal has been appointed on the same date and the Company had filed the relevant forms regarding the same.

11. The Company has made quarterly compliances as per the listing agreement during the Financial Year under review.

12. As per the information and explanations provided to us by the management of the Company, related party transactions are at arm length basis during the Financial Year 2017-18.

13. There was a change in promoters' shareholding during the year under review and relevant e-Form MGT-10 was filed by the Company in this regard.

14. During the Financial Year under review, the Company has appointed M/s Ajay Kumar Singh & Company as the cost Auditor of the Company and relevant e-Form CRA-2 is filed with the registrar of the Company also report on the same in e-Form CRA-4 was filed with the Registrar.

15. The Company has passed Board Resolution for availing credit facility from SBI of Rs. 85 Crore and e-Form MGT-14 for the same is filed with the Registrar of Companies.

16. The Company has appointed internal Auditors under the provisions of Section 138 of the

Companies Act, 2013 and e- Form MGT-14 is filed in this regard.

17. The Company has filed order of RD with the Registrar of Companies in Form INC-28 with regard to the condonation of delay in filing Form CHG-1 for modification of charge in favor of Punjab & Sind Bank.

We further report that

1. 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.

2. As per the information provided to us adequate notice is given to all directors of the scheduled 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.

3. Majority decision is carried and recorded as part of the minutes.

4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. Redemption / buy-back of securities
2. Merger / amalgamation / reconstruction, etc.
3. Foreign technical collaborations

M/s M. K. Mandal& Associates
Company Secretaries

(Manoj Kumar Mandal)
Prop.
M. No. : 5538
C.P. No. : 4968

Date: 28th August, 2018
Place: New Delhi

Annexure II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures of CHADHA PAPERS LIMITED

Part "A": Subsidiaries

(Amount in INR.)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	MANORAMA PAPER MILLS LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	3,98,90,000
5.	Reserves & surplus	20,79,276
6.	Total assets	10,49,12,336
7.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	6,29,43,060
8.	Investments	0
9.	Turnover	0
10.	Profit before taxation	(42,890)
11.	Provision for taxation	Nil
12.	Profit after taxation	(42,890)
13.	Proposed Dividend	Nil
14.	% of shareholding	99.92%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:- NA

By order of the Board
For Chadha Papers Limited

Place: Noida
Date: 28/08/2018

(Amanbir Singh Sethi)
Whole Time Director
DIN-01015203

(Sanmeet Singh)
Director
DIN-01139468

Annexure-III

DETAILS OF FINANCIAL PERFORMANCE & FINANCIAL POSITION OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY OF CHADHA PAPERS LIMITED:-

- **Subsidiary Company(s): 1**

(Amount in Rupees)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MANORAMA PAPER MILLS LIMITED
2.	Share capital	3,98,90,000
3.	Reserves & surplus	20,79,276
4.	Total assets	10,49,12,336
5.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	6,29,43,060
6.	Investments	0
7.	Turnover	0
8.	Profit before taxation	(42,890)
9.	Tax Expense	Nil
10.	Profit after taxation	(42,890)
11.	Proposed Dividend	Nil
12.	% of shareholding	99.92%

During the financial year 2017-18, Manorama Paper Mills Limited (Subsidiary Company) has incurred a loss of Rs. 42,890 (Rupees Forty Two Thousand Eight Hundred Ninety Only).

There is no financial impact of losses of Manorma Paper Mills Limited (Subsidiary Company) on Chadha Papers Limited (Holding Company) as the company was not in operations during the financial year 2017-18 and the reported loss is non-operating and insignificant in terms of the value.

Annexure IV

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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: NA

(a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the 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 arrangement or transactions at arm's length basis:-

(a) Name(s) of the related party and nature of relationship	**AMANBOX FACTORY PRIVATE LIMITED**	**ATPAC INDUSTRIES**
(b)Nature of contracts/arrangements/transactions	1.PURCHASE OF WASTE PAPER 2.SALE OF KRAFT PAPER	1.PURCHASE OF WASTE PAPER 2.SALE OF KRAFT PAPER 3.SALE OF PETROLEUM COKE
(c) Duration of the contracts / arrangements/transactions	N.A	N.A
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Value:- 1. 54,78,782 2. 8,72,77,977	Value:- 1. 1,18,06,996 2. 3.
(e) Date(s) of approval by the Board, if any:	30/05/2017	30/05/2017
(f) Amount paid as advances, if any:	N.A	N.A

Annexure- V

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i. Steps taken or impact toward conservation of Energy

a) Alternative use of non-conventional energy Pet Coke in place of bagasse or fuel
b) Up gradation of Machineries to save fuel and energy
c) Stabilizing the pet coke energy during the year.

ii. Steps taken by the company for utilizing alternate sources of energy

The company is currently utilizing the conventional sources of energy. We are exploring options to utilize alternate sources of energy.

iii. The capital investment on energy conservation equipment

Capital Investment has been made of Rs. 49, 42,789 on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption

No Capital Investment has been made for technology adoption for environmental aspects.

ii. **The benefits derived liked product improvement, cost reduction, product development or import substitution**- NA

iii. Information regarding imported technology (imported during last three years)

Details of technology imported	Technology imported from	Year of Import	Status of implementation / absorption
NA	NA	NA	NA

iv. Expenditure on R & D (current year & last year) : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings & Outgo	**2017-18**	**2016-17**
Foreign Exchange Earned in terms of actual inflows	**Nil**	**Nil**
Foreign Exchange outgo in terms of actual outflows	**36,04,28,814**	**19,42,70,458**

Annexure VI

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	: L21012UP1990PLC011878
ii)	Registration Date	: 08/05/1990
iii)	Name of the Company	: CHADHA PAPERS LIMITED
iv)	Category / Sub-Category of the Company	
	1. Public Company	(✓)
	2. Private company	( )
	3. Government Company	( )
	4. Small Company	( )
	5. One Person Company	( )
	6. Subsidiary of Foreign Company	( )
	7. NBFC	( )
	8. Guarantee Company	( )
	9. Limited by shares	(✓)
	10. Unlimited Company	( )
	11. Company having share capital	(✓)
	12. Company not having share capital	( )
	13. Company Registered under Section 8	( )
v)	Address of the Registered office and contact details	: CHADHA ESTATE NANITAL ROAD, BILASPUR RAMPUR, UTTAR PRADESH- 244921 : Telephone: 0120 - 4325461 Fax Number:- Email : Chadhapapersltd@gmail.com : Website:-www.chadhapapersltd.com

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L21012UP1990PLC011878
ii)	Registration Date	:	08/05/1990
iii)	Name of the Company	:	CHADHA PAPERS LIMITED
iv)	Category / Sub-Category of the Company		

1. Public Company	(✓)
2. Private company	( )
3. Government Company	( )
4. Small Company	( )
5. One Person Company	( )
6. Subsidiary of Foreign Company	( )
7. NBFC	( )
8. Guarantee Company	( )
9. Limited by shares	(✓)
10. Unlimited Company	( )
11. Company having share capital	(✓)
12. Company not having share capital	( )
13. Company Registered under Section 8	( )

v) Address of the Registered office and contact details : CHADHA ESTATE NANITAL ROAD, BILASPUR RAMPUR, UTTAR PRADESH- 244921

: Telephone: 0120 - 4325461
Fax Number:-
Email : Chadhapapersltd@gmail.com
: Website:-www.chadhapapersltd.com

vi) Whether listed company : Yes

vii) Name and Address of Registrar & Transfer Agents (RTA)

Name of Registrar & Transfer Agents	: Skyline Financial Services Private Limited
Address	: D-153A, 1st Floor, Okhla Indl. Area, Phase -1
Town / City	: New Delhi
State	: Delhi
Pin Code	: 110020
Telephone	: 011-26812682
Fax Number	: 91 11 26812682
Email Address	: parveen@skylinerta.com

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:

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of paper and paper products	Group170	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled = 1]

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Manorama Paper Mills Limited	U21011UR1991PLC012705	Subsidiary Company	99.92%	Sec2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY): -

A . Category-wise Share Holding

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	49,63,644	49,63,644	48.64%	49,63,644	0	49,63,644	48.64%	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	26,89,376	26,89,376	26.36%	26,89,376		26,89,376	26.36%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**0**	**76,53,020**	**76,53,020**	**75.00%**	**76,53,020**	**0**	**76,53,020**	**75.00%**	**0**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**76,53,020**	**76,53,020**	**75.00%**	**76,53,020**	**0**	**76,53,020**	**75.00%**	**0**

B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	6,26,220	6,26,220	6.14%	0	6,26,220	6,26,220	6.14%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh "	0	19,24,800	19,24,800	18.86%	0	19,24,800	19,24,800	18.86%	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	**25,51,020**	**25,51,020**	**25%**	**0**	**25,51,020**	**25,51,020**	**25%**	**0**

Total Public Shareholding (B)=(B)(1)+(B)(2)	0	**25,51,020**	**25,51,020**	**25%**	**0**	**25,51,020**	**25,51,020**	**25%**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**0**	**1,02,04,040**	**1,02,04,040**	**100%**	**76,53,020**	**25,51,020**	**1,02,04,040**	**100%**	**0**

Percentages have been rounded off to their nearest value

B. Shareholding of Promoters

SN	Shareholder's 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.	Rajinder Singh Chadha	13,11,300	12.85%	0	32,71,254	32.06%	0	19.21%
2.	Prakash Kaur	19,59,954	19.21%	0	0	0	0	19.21%
3.	Jatinder Kaur	13,88,590	13.61%	0	13,88,590	13.61%	0	0
4.	Dinita Chadha	3,03,800	2.98%	0	3,03,800	2.98%	0	0
5.	Capco Holdings Private Limited	26,89,376	26.36%	0	26,89,376	26.36%	0	0

Percentages have been rounded off to their nearest value

C. Change in Promoter Shareholding (Specify if any)

SNo.	Name	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	Mr. Rajinder Singh Chadha	13,11,300	12.85	13,11,300	12.85
	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):	**Increase-** Transmission of 19,59,954 Shares (13.11.2017)	-	-	-	-
	At the End of the year		-	-	32,71,254	32.06
2.	At the beginning of the year	Mrs. Prakash Kaur*	19,59,954	19.21	19,59,954	19.21
	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):	**Decrease-** Transmission of 19,59,954 Shares (13.11.2017)	-	-	-	-
	At the End of the year		-	-	Nil	Nil

***Mrs. Prakash Kaur ceased to be a member of Company w.e.f. 13.11.2017**

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name	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.	MR. MANMEET CHADHA	4,73,060	4.63%	4,73,560	4.64%
2.	MR. GINNI CHADHA	4,59,200	4.5%	4,59,200	4.5%
3.	MR. TPS CHADHA	3,30,120	3.24%	3,30,120	3.24%
4.	IQBAL SINGH	46,140	0.46%	45,640	0.45%
5.	GEETA NEGI	45,080	0.44%	45,080	0.44%
6.	KULDEEP SINGHAL	44,380	0.43%	44,380	0.43%
7.	NATHI SINGH	43,960	0.43%	43,960	0.43%
8.	MANISHA SHARMA	41,580	0.41%	41,580	0.41%
9.	NEETA BHOLA	40,320	0.40%	40,320	0.40%
10.	NEERAJ CHATURVEDI	40,180	0.39%	40,180	0.39%

Percentages have been rounded off to their nearest value

E Shareholding of Directors and Key Managerial Personnel: NO

SN	Name	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.	NA	NA	NA	NA	NA	NA

V. INDEBTEDNESS :

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,23,01,285	1,051,879,350	-	1,354,180,635
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	30,23,01,285	1,051,879,350	-	1,354,180,635
Change in Indebtedness during the financial year				
Addition	3,18,054,387	107,986,927		426,041,314
Reduction	-			
Net Change	-			
Indebtedness at the end of the financial year				
i) Principal Amount	620,355,672	1,159,866,277		1,780,221,949
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		
Total (i+ii+iii)	620,355,672	1,159,866,277		1,780,221,949

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN	Name of MD/WTD/Manager/ Executive Director	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			as % of profit	others			
1	Amanbir Singh Sethi	60 Lacs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	60 Lacs	60Lacs

B. Remuneration to other directors: Nil

SN	Name of Directors	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others		Fee for attending board committee meetings	Commission	Others				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			as % of profit	others		
1.	Mr. Atul Gupta (Chief Financial Officer)	Rs. 187250	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Rs. 187250
2.	Mr. Shifali Arora (Company Secretary)	Rs. 180000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Rs. 180000
3.	Mr. Rahul (Company Secretary)	Rs. 180000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Rs. 180000
4.	Mr. Ashish Gupta (Chief Financial Officer)	Rs. 80000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Rs. 80000
5.	Mr. Mohit Agarwal (Chief Financial Officer)	Rs. 260000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Rs. 260000

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)
A Company					
Penalty	Section 87	Delay in filling the CHG-1 form with ROC	Rs. 10,000 as cost to ROC	RD	-
Punishment					
Compounding					
B Director					
Penalty					
Punishment					
Compounding					
C Other than Officers in Default					
Penalty					
Punishment					
Compounding					

By order of the Board

For Chadha Papers Limited

Place: Noida
Date: 28th August 2018

(Amanbir Singh Sethi)
Whole Time Director
DIN-01015203
Address of Director:-
175-I, Sarabha Nagar
Ludhiana
Punjab-141001

(Sanmeet Singh)
Director
DIN-01139468
Address of Director:-
Malla, Gorakhpur
Haldwani,
Uttarakhand-263139

Annexure VII

NOMINATION AND REMUNERATION POLICY

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. This policy on nomination and remuneration of Directors & Senior Management has been formulated by the Committee and approved by the Board of Directors.

This Policy is also available on the website of the Company viz, www.chadhapaperslimited.com.

1. Scope of the Policy

The remuneration policy ("Policy") applies to all the Board of Directors, Key Managerial Personnel and senior management of Chadha Papers Limited.

2. Definitions

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

'Company' means Chadha Papers Limited.

"Key Managerial Personnel" (KMP), in relation to Company means—

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed by Central Government from time to time;

3. Constitution of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of following Directors:-

S. No.	Name of Members	Position
1	Mr. Naveen Sexena	Chairman (Independent Non – Executive Director)
2	Mr. Sanmeet Singh	Member (Independent Non – Executive Director)
3	Mr. Anand Sharma	Member (Independent Non – Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

4. Purpose and objectives of the Policy

The purpose and objectives of the Policy are to:

a) Set out the principles governing the Company's Remuneration systems in organizational guidelines with following key features:-

b) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management.

c) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the packaging industry.

d) To carry out evaluation of the performance of Directors, and Senior Management Personnel.

e) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

g) ensure that the Remuneration is properly monitored, and

h) inform Employees on the applicable rules as well as on their Remuneration System.

5. Evaluation

The Committee shall carry out yearly evaluation of performance of every Director and Senior Management Personnel.

6. Accountabilities

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board

7. Remuneration to Non- Executive / Independent Director

➢ **Remuneration / Commission**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

- **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- **Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

- **Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

8. Chairman of the Committee

a) Chairman of the Committee shall be an Independent Director.

b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Annual review

The Policy, the Remuneration system and their practical operation shall be reviewed by the Nomination & Remuneration Committee. In this respect the Remuneration Committee supports the Company's efforts to ensure compliance of the Policy with regulatory requirements and applicable law. The Policy and the Remuneration system shall be amended if necessary. The Remuneration Committee shall ensure that any changes to the Policy are properly documented.

Annexure-VIII

STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Whole Time Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee of the Company.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

SNo.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Amanbir Singh Sethi	26.32:1
2.	Sanmeet Singh	NA
3.	Naveen Saxena	NA
4.	Anand Sharma	NA
5.	Surjeet Kaur	NA

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

S.No	Name of the Director/CFO/CS	Percentage increase in remuneration
1	Amanbir Singh Sethi (Director)	14.85
2	Atul Gupta (CFO)	0.00
3	Ashish Gupta (CFO)	6.81
4	Mohit Agarwal (CFO)	62.50
5	Shifali Arora (CS)	0.00
6	Rahul (CS)	0.00

(iii) The percentage increase in the median remuneration of employees in the financial year:- 22.72%

(iv) The number of permanent employees on the rolls of Company:- 478

(v) The explanation on the relationship between average increase in remuneration and Company performance:

SNo.	Average increase in remuneration	Company performance
1	Rs. 42,213	Rs. (28,118,603) (Net Loss)

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

SNo.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended
1	Rs. 68,47,250	Rs. (28,118,603) (Net Loss)

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of

the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

S.No.	Particular	As at March 31, 2018		As at March 31, 2017	
1	Market Capitalisation	BSE	-	BSE	-
		NSE	-	NSE	-
2	Price Earnings Ratio (Considering consolidated	BSE	-	BSE	-
		NSE	-	NSE	-

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of employees is:- **6.00%**

There is only one Whole Time Director. Increase in the managerial remuneration of **15.10 %** arise for the financial year including WTD, CFO & CS.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

SNo.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2018
1	Mr. Amanbir Singh Sethi Whole Time Director	Rs. 60,00,000	Rs. (28,118,603) (Net Loss)
2	Mr. Atul Gupta Chief Financial Officer	Rs. 1,87,250	Rs. (28,118,603) (Net Loss)
3	Ms. Shifali Arora Company Secretary	Rs. 1,80,000	Rs. (28,118,603) (Net Loss)
4	Mr. Ashish Gupta Chief Financial Officer	Rs. 80,000	Rs. (28,118,603) (Net Loss)
5	Mr. Mohit Agarwal Chief Financial Officer	Rs. 2,60,000	Rs. (28,118,603) (Net Loss)
6	Mr. Rahul Company Secretary	Rs. 1,80,000	Rs. (28,118,603) (Net Loss)

(x) The key parameters for any variable component of remuneration availed by the directors: Nothing is payable in addition to monthly Remuneration.

(xi) During the year ended March 31, 2018, there was no employee, who is not a Director of the Company and received remuneration in excess of highest paid director of the Company.

(xii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

ANNEXURE:-IX

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

In accordance with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'SEBI Listing Regulations'] read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as "Listing Regulations") the details of compliance by the Company with the norms on Corporate Governance are as under:

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Chadha Papers Limited (the "Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure Fair and transparent business practices, Compliance of applicable statute, Effective management control and monitoring of executive performance by the Board. Corporate Governance is about transparency, accountability, fairness, and professionalism, and social responsiveness, complete disclosure of material facts and independence of the Board.

Company's Corporate Governance structure, systems and processes are based on two core principles:
(i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and
(ii) This freedom of management should be exercised within a framework of effective accountability.

Company believes that control is a necessary concomitant of its second core principle of governance that the freedom of management should be exercised within a framework of appropriate checks and balances.

2) BOARD OF DIRECTORS

A. Composition of the Board

The Company's policy is to maintain an optimum combination of Executive and Non Executive Directors. The Board of Directors of the Company consists of 5 (Five) Directors. There are three (3) Independent Directors in the Company including one (1) Independent Woman Director as required under Section 149 of the Companies Act, 2013 & rules made thereunder and Regulation 17 of the Listing Regulations.

The composition of the Board is in conformity with the Regulation 17 of the Listing Regulations. None of the Directors on the Board serve as an Independent Director in more than seven listed companies. There is no Whole Time Director in the Company who serve as an Independent Director in more than three listed companies.

None of the Directors are related to each other. None of the non-executive directors held any convertible instruments of the Company. The details of Directors are as follows:-

S. No	Name of Directors	Executive /Non Executive	Designation
1	Amanbir Singh Sethi	Executive	Whole Time Director
2	Sanmeet Singh	Non Executive	Director
3	Naveen Sexena	Non Executive	Independent Director
4	Anand Sharma	Non Executive	Independent Director
5	Surjeet Kaur	Non Executive	Independent Director

Independent Directors of the Company do not have any material pecuniary relationship or transaction with the company, its promoters, its directors and its senior management, which may affect their independence.

A. Attendance of each Director at the meeting of the Board of Directors and the Last Annual General Meeting

Sl. No.	Date of Board Meeting	Board Strength	Directors presence in Board meeting				
			Anand Sharma	Amanbir Singh Sethi	Sanmeet Singh	Naveen Sexena	Surjeet Kaur
1.	30/05/2017	4	Yes	Yes	Yes	Yes	No
2.	14/07/2017	3	No	Yes	Yes	Yes	No
3.	16/08/2017	4	Yes	Yes	Yes	No	Yes
4.	29/08/2017	5	Yes	Yes	Yes	Yes	Yes
5.	14/09/2017	5	Yes	Yes	Yes	Yes	Yes
6.	23/10/2017	5	Yes	Yes	Yes	Yes	Yes
7.	24/11/2017	5	Yes	Yes	Yes	Yes	Yes
8.	14/12/2017	5	Yes	Yes	Yes	Yes	Yes
9.	14/02/2018	4	Yes	No	Yes	Yes	Yes
10.	26/03/2018	4	Yes	Yes	Yes	Yes	Yes

Attendance of each Director at the Last Annual General Meeting

Name of Directors	Anand Sharma	Amanbir Singh Sethi	Sanmeet Singh	Naveen Sexena	Surjeet Kaur
Whether attended Annual General Meeting	Yes	Yes	Yes	Yes	Yes

B. The number of directorships and memberships in the Committees of Other Companies held by the Directors as on 31st March, 2018 are as under:

Name of the Director	No. of Directorships in Other Companies*	In Other Companies**	
		Membership	Chairmanship
Naveen Sexena	-	-	-
Anand Sharma	5	-	-
Sanmeet Singh	16	-	-
Amanbir Singh Sethi	3	-	-
Surjeet Kaur	2	4	-

C. **Number of Board Meetings Held along with the Dates**

The Board of directors met for ten times during the year. The dates are:-

Sl. No.	Date of Board Meeting
1.	30/05/2017
2.	14/07/2017
3.	16/08/2017
4.	29/08/2017
5.	14/09/2017
6.	23/10/2017
7.	24/11/2017
8.	14/12/2017
9.	14/02/2018
10.	26/03/2018

D. **Disclosure of Relationships between Directors inter-se**

Directors are not related to each other.

E. **Number of Shares and convertible instruments held by Non- Executive Directors**

Non Executive Director doesn't hold any share in the Company.

F. **Web Link where details of Familarisation Programmes imparted to Independent Directors is disclosed**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company.

The Familarisation Programme of the Company is available on the website ***www.chadhapaperslimited.com***

3) AUDIT COMMITTEE

The Audit Committee of the Company shall perform all the functions and duties as specified in provisions of Section 177 of the Companies Act, 2013 and in Schedule II Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee's terms of reference are in consistent with the provisions of SEBI Corporate Governance Code and of the Companies Act, 2013. Generally, the Committee oversees the financial reporting process, recommendation of appointment/ removal/fee etc. of external auditors, review of the adequacy of internal control system for financial reporting, review of quarterly/half-yearly/annual financial statements before submission to the Board, discussion with external auditors, substantial default in payment to shareholders and creditors, if any etc. A gist of responsibilities of Audit Committee is given below:

Reviewing with the management, the quarterly/annual financial statements before submission to the Board, focusing primarily on:-

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. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

3. To review the functioning of the Whistle Blower mechanism;

4. Review Reports Management Discussion and Analysis of Financial Condition and Results of Operations;

5. Statement of Significant Related Party Transactions;

6. Internal Audit Reports relating to Internal control weakness;

A. COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON

The members of Audit Committee are as follows:-

i) Mr. Naveen Sexena, **Chairman** – Independent Director
ii) Mr. Anand Sharma, **Member** –Independent Director
iii) Mr. Aman Bir Singh Sethi, **Member** – Whole Time Director

B. **MEETINGS AND ATTENDANCE DURING THE YEAR**

During the financial year 2017-18, Five Audit Committee meetings were held, the details are as under:-

Sl. No.	Date of Committee Meeting	Committee Strength	Directors Presence in Audit Committee Meeting		
			Naveen Sexena (Chairperson)	Amanbir Singh Sethi	Anand Sharma
1.	30/05/2017	3	Yes	Yes	Yes
2.	29/08/2017	3	Yes	Yes	Yes
3.	14/09/2017	3	Yes	Yes	Yes
4.	14/12/2017	3	Yes	Yes	Yes
5.	14/02/2018	2	Yes	No	Yes

4) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company shall perform all the functions and duties as specified in Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

A) Brief terms of Reference are as follows:-

i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
iii. Devising a policy on diversity of board of directors.
iv. Carry on the evaluation of every director's performance;
v. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

B) Nomination and Remuneration Committee consists of the following Members:

i) Mr. Naveen Sexena, **Chairman** – Independent Director
ii) Mr. Anand Sharma, **Member** – Independent Director
iii) Mr. Sanmeet Singh, **Member** – Non Executive Director

C) MEETINGS AND ATTENDANCE DURING THE YEAR

During the financial year 2016-17, 2 Meetings of Nomination and Remuneration Committees were held, the details are as under:-

Sl. No.	Date of Committee Meeting	Committee Strength	Directors Presence in Nomination and Remuneration Committee Meeting		
			Naveen Sexena (Chairperson)	Anand Sharma	Sanmeet Singh
1.	23/10/2017	3	Yes	Yes	Yes
2.	14/12/2017	3	Yes	Yes	Yes

D) Performance Evaluation Criteria for Independent Directors

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non-Executive Directors and Chairperson of the Board.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non- Independent Directors were carried out by the Independent Directors.

The Board of Directors expressed their satisfaction with the evaluation process.

5) REMUNERATION OF DIRECTORS

A. Non - Executive Directors of the company do not have any pecuniary relationship or transaction with the company.

B. Non-Executive Directors do not draw any remuneration or sitting fees for attending meetings of Board/ Committee.

C. The Remuneration paid to the Whole-time Directors during the year is as follows:-

Name of the Director	Salary	Benefits	Bonuses	Pension	Commission	Service Contract	Notice Period	Total
Amanbir Singh Sethi	60 Lac	NA	NA	NA	NA	Appointed for a period of two years w.e.f 01/09/2016	As per the Rules of Company	60 Lac

There were no severance fees and stock option plan. The appointment of Whole Time Director is made for a period of two year on the terms and conditions contained in the respective resolutions passed by the Members.

6) **STAKEHOLDER'S RELATIONSHIP/GRIEVANCE COMMITTEE**

a) **Composition of Stakeholder's Relationship/Grievance Committee along with the non-executive director heading the committee:-**

Name of the Director	Designation
Mr. Anand Sharma, Independent Director	Chairperson
Mr. Sanmeet Singh, Non Executive director	Member
Mr. Amanbir Singh Sethi, Whole Time Director	Member

b) **Name and Designation of Compliance Officer**

*Rahul, Company Secretary/Compliance Officer

*(Ms. Shifali Arora has resigned from the position of Company Secretary & Compliance Officer from October 06, 2017 and Mr. Rahul has been appointed as Company Secretary & Compliance Officer w.e.f October 16, 2017)

c) **Number of Shareholder's Complaints received so far**

Nil

d) **Number of complaints not resolved to the satisfaction of shareholders**

Nil

e) **Number of Pending Complaints**

Nil

7) **GENERAL BODY MEETINGS**

a) **Location and time, where last three AGMs held**

S.NO	ANNUAL GENERAL MEETING	DATE AND TIME	ADDRESS
1	2016-2017 (27th AGM)	27th September, 2017 at 12.00 Noon	Chadha Estate, Nanital Road, Bilaspur, Rampur, Uttar Pradesh-244921
2	2015-2016 (26th AGM)	30th September, 2016 at 2.00pm	Chadha Estate, Nanital Road, Bilaspur, Rampur, Uttar Pradesh-244921
3	2014-2015 (25th AGM)	30th September, 2015 at 2.00pm	Chadha Estate, Nanital Road, Bilaspur, Rampur, Uttar Pradesh-244921

b) **Details of Special Resolutions passed in previous three Annual General Meetings**

S.No	ANNUAL GENERAL MEETING	DATE AND TIME	Special Resolutions
1	2016-2017 (27th AGM)	27th September, 2017 at 12.00 Noon	NIL
2	2015-2016 (26th AGM)	30th September 2016 at 2.00pm	1. Authority to the Board to Borrow Funds 3. Appointment of Mr. Amanbir Singh Sethi as Whole Time Director (DIN: 01015203)
3	2014-2015 (25th AGM)	30th September 2015 at 2.00pm	1. Conversion of Unsecured Loans into Redeemable Preference Shares 2. Issue of Preference Shares on Private Placement basis. 3. Adoption of New Articles of Association 4. Appointment of Mr. Amanbir Singh Sethi as Whole Time Director (DIN: 01015203)

C) No Special Resolution was passed last year through Postal Ballot.

D) Since no Postal Ballot was conducted during the year. No person was required for conducting Postal Ballot.

E) No Special Resolution is proposed to be conducted through postal ballot.

F) Procedure for Postal Ballot:- Not Applicable

8) MEANS OF COMMUNICATION

A) QUARTERLY RESULTS

Quarterly, half-yearly and annual financial results of the Company were published in leading newspapers Business Standard English Editions; and in Jansatta, Business Standard, Pioneer Hindi Edition.

The results of the Company are displayed on the website:- ***www.chadhapaperslimited.com*** and on the website of Bombay Stock Exchange.

Stock Exchange

Your Company makes timely disclosures of necessary information to the BSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

9) GENERAL SHAREHOLDER INFORMATION

i. AGM: Date, time and venue: 27th September 2018 at 12.30 pm at Chadha Estate, Nanital Road, Bilaspur, Rampur, Uttar Pradesh-244921

ii. Financial year:- 1st April 2017 - 31st March 2018

iii. Date of Book closure:- 22/09/2018 to 27/09/2018

iv. Dividend Payment Date:- No Dividend is recommended.

v. Listing on Stock Exchanges and a confirmation about payment of Annual listing fee to each of such Stock exchange(s):- Company is listed on Bombay Stock Exchange, Uttar Pradesh Stock Exchange and Delhi Stock Exchange, but the status is suspended on all the Stock Exchanges. Company has applied for Revocation of Suspension to Bombay Stock Exchange and Bombay Stock Exchange have notified in their Notice Dated 23.08.2018 that the Suspension on Trading of Equity Shares will be revoked with effect from 31.08.2018.

vi. Stock Code:- 531946

vii. Market Price Data: High, Low during each month in last financial year: - Company's shares are not in trading since 2001.

viii. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.:- Company's shares are not in trading since 2001.

ix. Reasons for suspension of securities:- The company is suspended w.e.f. 10th September 2001 due to penal reasons and Non Payment of Listing fee.

x. Registrar & Transfer Agents:- Skyline Financial Services Private Limited

xi. Share Transfer System:- Physical and Demat.

xii. Distribution of Shareholding:-

a) Promoter's Shareholding	:-	75.00%
c) Public Shareholding	:-	25.00%

xiii. Dematerialization of shares & liquidity: - Promoters' Shares are in Demat Form

xiv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:- NIL

xv. Commodity price risk or foreign exchange risk and hedging activities: - The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities; hence same are not applicable to the Company.

xvi. Plant Locations:- Chadha Estate, Nanital Road, Bilaspur, Uttar Pradesh-244921.

xvii. Address for Correspondence

Registered Office: - Chadha Estate, Nanital Road, Bilaspur, Uttar Pradesh-244921.

Corporate Office: - B-5, Sector 52, Noida, Uttar Pradesh-201301.

(10) OTHER DISCLOSURES

(A) Disclosures on materially significant related Party transactions.

The particulars of transactions between the Company and its related parties as per Accounting Standard (AS) - 18, are set out in notes to accounts in the Annual Report and were approved by the Audit Committee. During the year under review, there are no materially significant related party transactions of the Company having potential conflict with the interests of the Company at large. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at www.chadhapaperslimited.com.

(B) Details of Non-Compliance by the Listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the Last three years:

Company is listed on Bombay Stock Exchange, Uttar Pradesh Stock Exchange and Delhi Stock Exchange, but the status is suspended on all the Stock Exchanges since 2001.

Company has applied for revocation of Suspension to Bombay Stock Exchange on 26th July, 2016 and has complied with the listing provisions as directions issued by the Bombay Stock Exchange, Revocation Department, apart from the compliances mentioned under point No. 11.

(C) Details of Establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee:-

The Company has implemented a Whistle Blower Policy pursuant to which Whistle Blower can raise concerns relating to reportable manner such as breach of code of conduct, fraud, corruption, employee misconduct, misappropriation of funds etc. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of whistle Blower. During the year, no personnel have been denied access to the Audit Committee. The policy of Vigil mechanism has been uploaded on the Company's website.

(D) Details of the Compliance of Mandatory Requirements and adoption of Non Mandatory Non-Mandatory Requirements:-

Company is listed on Bombay Stock Exchange, Uttar Pradesh Stock Exchange and Delhi Stock Exchange, but the status is suspended on all the Stock Exchanges since 2001.

Company applied for Revocation of Suspension on 26th July, 2016. Company has complied with the mandatory requirements and the directions which have been issued by Bombay Stock Exchange, from the department of Stock Exchange except:-

Company has not complied with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e Corporate Governance Requirements with respect to subsidiary of listed entity.

* Company has applied for Revocation of Suspension to Bombay Stock Exchange and Bombay Stock Exchange have notified in their Notice Dated 23.08.2018 that the Suspension on Trading of Equity Shares will be revoked with effect from 31.08.2018.

Non Mandatory Requirements

The Internal Auditor of the Company reports directly to the Audit Committee.

(E) Policy for determining Material Subsidiaries is uploaded on Company's website:- www.chadhapaperslimited.com

(F) Policy on Related Party Transactions is uploaded on Company's website:- www.chadhapaperslimited.com

(G) Disclosure of Commodity Price Risks and Commodity hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities; hence same are not applicable to the Company.

(11) **Non-Compliance of any requirement of Corporate Governance Report**

Company complied with the requirements of Corporate Governance Report during the reporting period except:-

Company has not complied with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e Corporate Governance Requirements with respect to subsidiary of listed entity.

(12) The Internal Auditor of the Company reports directly to the Audit Committee.

(13) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

S. No	Regulation No.	Particulars of Regulation	Status of Compliance
1.	17	Board of Directors	Yes
2.	18	Audit committee	Yes
3.	19	Nomination and Remuneration Committee	Yes
4.	20	Stakeholders Relationship Committee	Yes
5.	21	Risk Management Committee	NA
6.	22	Vigil Mechanism	Yes
7.	23	Related Party Transactions	Yes
8.	24	Corporate Governance requirements with respect to subsidiary of listed entity	No
9.	25	Obligations with respect to Independent directors	Yes
10.	26	Obligations with respect to Directors and Senior Management	Yes
11.	27	Other Corporate Governance Requirements	Yes
12.	46	Website Requirements	Yes

D. **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:- Nil

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year:- Nil

(c) Number of shareholders to whom shares were transferred from suspense account during the year:- Nil

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:- Nil

E. **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode can register their e-mail addresses with the Company. Shareholders may contact the Company Secretary/RTA for registration or updating of email id with the company.

Annexure X

CERTIFICATE UNDER PARA E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members,
Chadha Papers Limited
CIN: - L21012UP1990PLC011878
Chadha Estate, Nanital Road,
Bilaspur, Rampur,
Uttar Pradesh-244921

We have examined the compliance of conditions of corporate governance by Chadha Papers Limited (herein referred to as "the Company") as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2017 to 31st March, 2018.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Regulations.

No Independent Director of the Company has been appointed on the Board of Directors of its Material Non-Listed Indian Subsidiary Company.

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

For M. K. Mandal and Associates
(Companies Secretaries)

Manoj Kumar Mandal
Prop.
M.No:5538
CP.No:4968

Date: 28.08.2018
Place: New Delhi

Annexure- XI

CEO AND CFO CERTIFICATION

We hereby certify that:

A) We have reviewed financial statements and the cash flow statement for the year Financial Year ended on 31st March, 2018 and that to the best of their 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that there are no:-

(1) significant changes in internal control over financial reporting during the year;
(2) significant changes in accounting policies during the year that requires disclosure in the notes to the financial statements; and
(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Chadha Papers Limited

Place: Noida
Date: 30th May 2018

Amanbir Singh Sethi
Whole Time Director
DIN:-01015203

Mohit Agarwal
Chief Financial Officer

Annexure XII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

The focus of paper industry is now shifting towards more eco-friendly products and technology. Government of India has established rules and regulations to control the population and degradation of forest. These measures taken by the government has brought the significant changes in the paper industry of India.

1. INDUSTRY STRUCTURE AND DEVELOPMENT RELATING TO COMPANY'S LINE OF BUSINESS

Your Company is engaged in the business of manufacturing of papers and related paper products such as News Print, Writing Print, and Kraft Paper etc. During the Financial Year, the Company was able to achieve the sales of Rs. 423.87 Crore. The sale of products comprises of sale of News Print Paper, Writing Printing, and Kraft Paper and includes other revenue from the sale of scrap and Paddy Husk, Local Waste Paper and Petrolium Coke.

For developing the area of business, the Company has taken various steps to increase the revenue of the Company and for the Development of the Company:-

a. The Company is trying to enter into new markets and trying to capture the new area for business.
b. Enhance growth by reaching new customers, analyzing their needs and dynamically managing the price according to the needs of Customers.
c. In-house qualified and technical team to ensure better quality products.
d. Adoption of Business models that increases the assets efficiency and long term competitiveness.
e. Increasing profitability by trying to minimize the operating Costs.
f. Adoption of new technologies and measures to manufacture the papers at a lower cost.
g. Analyzing the demands of the society and adjusting the manufacturing and supply of goods accordingly.
h. Sufficient land and other infrastructure available with the Company for future expansion and growth.

2. OPPORTUNITIES AND THREATS

OPPORTUNITIES

India is already one of the fastest growing major economies of the world and the current emphasis on education, skill development and economic reforms should provide a further boost to the Country's growth prospects and resultant demand for Paper.

New opportunities for the Company are widely open as the company is planning to enter into new markets.

Company's has introduced the News Print and export quality writing & printing paper and management has laid out the plans and strategies to capture the markets. Improved quality of our Writing & Printing paper and acceptance of same in the printing segment places us in a strong position to take full advantage of growth opportunities.

The foregoing discussion traced that the Indian paper industry is a booming industry and is expected to grow in the years to come. The usage of paper cannot be ignored and this awareness is bound to bring about changes in the paper industry for the better.

THREATS

The gradual erosion of the market for the Kraft Paper is the biggest threat to the Company. The low sales graph of the Kraft Paper is a threat as well as alarming for the Company.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. Due to old technologies and methods, it is difficult to meet the market demands.

The other challenge before the Paper industry is to comply with stringent Environment norms being insisted upon by the Ministry of Environment & Forest (MOEF) and the Central Pollution Control Board (CPCB).

Another threat to the Industry is increasing coal and logistic cost. These cost adds to the total expenditure of the Company and therefore it is also a big threat to the future profits and growth.

Availability of substitute products at cheap rates from the foreign markets is also another threat which the company has to deal with because there is cheap dumping from export countries.

3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Company has basically three segments in Paper which are as follows:-

a. Kraft Paper Division

b. News Print & WP Division
c. Petrolium Coke Division

During the year, Company was able to expand its share in the market and was able to achieve the sale of News Print Paper of Rs. 864,339,840/-.

The sale of Kraft Paper is Rs. 1,437,371,199/-, Kraft Paper absorbent amounted to Rs. 685,501,468/- and Petrolium Coke is 60,927,444.00/-.

The paper business incorporates product group's viz. Paper, Paper and Boards and Newsprint, which mainly have similar risks and returns.

4. OUTLOOK

The Company installed News Printing/Writing Paper Plant last year in order to achieve the demand for this product and further management has planned and has improvised the technologies for the News Print and WP keeping in view the demand of the product and the sales target has been set high.

5. RISKS AND CONCERNS

Company has adopted a risk management Policy, as recommended by the Board of Directors of the Company.
The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The policy is categorized in following parts:-

a.) Risk Assessment.
b.) Risk Management.
c.) Risk Monitoring.
d.) Risk Minimization

The Company is prone to inherent business risks. The objective of the policy is identification, evaluation, monitoring and minimization of identifiable risks.

6. INTERNAL CONTROL SYSTEMS AND ADEQUACY

Board of Directors has adopted proper procedure and policies for ensuring the efficient conduct of business, including proper utilization of resources, safeguarding of its assets, detection of frauds and errors and timely preparation of Financial Statements and fair and true disclosure in the same.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE OF THE COMPANY

The year was challenging with intense competition & our overall sales volume increased though pricing was under severe pressure during the year under review.

Total turnover of the Company for the Financial Year 2017-18 is Rs. 423.87 Crore. Company has incurred a loss of Rs. 283.07 Crore.

Operational Performance of the Company is satisfactory ensuring the Company's commitments of servicing its debts and enhancing the value of the Company.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company has adopted a progressive policy of development of its human resources through continuous training and motivation to achieve greater efficiencies and competencies. Progress made by the company was possible because of the efforts put in by the entire team. The total number of permanent employees as on 31st March 2018 was **478**. Your Company considers people at its biggest assets and "believing in People" is the soul of human resource strategy. Company believes empowering employees through greater knowledge, opportunity and responsibility. During the year, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow.

Annexure XIII

Declaration by the Whole Time Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that the Company has laid down Code of Conduct for all the Board Members and Senior Management of the Company and the copy of the same have been uploaded on the website of the Company i.e ***www.chadhapaperslimited.com***.

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the year ended 31st March 2018.

Place: Noida
Date: 28.08.2018

For Chadha Papers Limited

Amanbir Singh Sethi
(Whole Time Director)
DIN-01015203

SNMG & CO.
CHARTERED ACCOUNTANTS
F-378, Sarita Vihar, New Delhi-110076
Ph. 29948663/29948664 Fax : 26948000
email : gargrk58@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHADHA PAPERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Chadha Papers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under Section 143(11) of the Act.

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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a 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 an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Emphasis on Matter

The Company is required to identify its suppliers which are registered under MSMEs Act so as to comply with the provisions of the said Act applicable to it.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**, and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company does not have any pending litigations by and against the Company as at March 31, 2018 which may impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For **SNMG & Co.**
FRN : 004921N
Chartered Accountants

Rakesh Kumar
Partner
M. No. : 083911

Place: New Delhi
Date : May 30, 2018

"Annexure A" to Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Chadha Papers Limited on the financial statements for the year ended March 31, 2018, we report that:

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets of the Company have not been physically verified by the Management during the year. We have informed that the company is in the process of implementing the programme of periodical verification of the fixed assets immediately after completion of the records.

(c) According to the information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

ii. (a) As per the information furnished, the inventories have been physically verified during the year by the management at reasonable intervals.

(b) According to the information and explanations given to us, 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. In our opinion, discrepancies noticed on physical verification of inventories were not material in relation to the operations of the Company and the same have been properly dealt with in books of account.

iii. (a) The Company has not granted interest free loans/advances to parties covered in the register maintained under Section 189 of the Act during the year. The existing loan of Rs. 10.10 lac granted to its subsidiary is outstanding.

(b) In our opinion and according to information and explanation given to us, the terms and conditions of interest free loans given to the parties covered in the register maintained under Section 189 of the Act are not prima facie prejudicial to the interest of the Company.

(c) As per our information and explanation given to us, Loans given to said party is repayable on demand.

(d) There is no overdue amount of loan granted to Companies, firm or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section

148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the such records with a view to determine whether they are accurate or complete.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us and records of the company examined by us, the particulars of dues of central excise, service tax, sales tax, entry tax etc. which have not been deposited on account of any dispute are as follows:

Detail of Disputed Statutory Dues as on 31.03.2018

S.No.	Name of Tax	Original Amount.	Interest/ Penalty (If any)	Paid under Protest
1	UP Trade Tax (3B Form)	3,40,000	-	1,36,000
2	Appeal Pending Up, Tax Disputed Case A/y 2009-10	19,011.33	-	-
3	Appeal Pending Up, Tax Disputed Case A/y 2010-11	19,096	-	-
4	Appeal Pending Up, Tax Disputed Case A/y 2011-12	2,76,750	-	-

(c) The Sales Tax Department has raised the following demands during the financial year 2017-18 against the company for which the company has filed appeals:

A.Y. 2009-10 and 2010-11	Demand Amount	Stay Granted In Appeal	Tax Deposited
UP VAT/CST/Entry Tax (2009-10)	2,631,468	1,973,601	1,000,000
UP VAT/CST/Entry Tax (2010-11)	1,775,956	1,327,483	500,000

Assessment Year 2014-15 (Assessment Order Date: 08.09.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	770,093	693,084	77,009
CST	506,719	456,047	50,672

Assessment Year 2015-16 (Assessment Order Date: 30.06.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	8,362,722	7,526,450	836,272
CST	1,740,883	1,566,795	174,088
Entry Tax	2,503,922	2,253,530	250,392

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information & explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with any director or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For SNMG & Co.
FRN : 004921N
Chartered Accountants

Rakesh Kumar
Partner
M. No.: 083911

Place: New Delhi
Date: May 30, 2018

"Annexure B" to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Chadha Papers Limited** ("the Company") as on March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Emphasis on Matter

Long-term outstanding Balances in some of the personal and impersonal accounts are subject to confirmation and reconciliation.

The company should implement the programme of periodical verification of the fixed assets.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SNMG & Co.**
FRN : 004921N
Chartered Accountants

Rakesh Kumar
Partner
M. No.: 083911

Place: New Delhi
Date : May 30, 2018

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Balance Sheet as at 31 March 2018

(Amount in Rs.)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	944,836,481	898,073,864	659,467,551
Capital work-in-progress		11,103,780	-	-
Intangible assets	4	1,286,254	1,581,386	43,662
Financial assets				
Investments				
Investment in subsidiaries and associates	5	20,155,280	64,381,280	64,381,280
Other investments	6	42,000	42,000	42,000
Loans	7	74,207,794	67,769,675	61,890,114
Other financial assets	8	23,538,361	23,538,361	23,744,876
Total Non-current assets		**1,075,169,950**	**1,055,386,566**	**809,569,483**
Current assets				
Inventories	9	451,925,599	318,794,327	250,343,343
Financial assets				
Investments	10	44,226,000	-	-
Trade receivables	11	407,363,211	263,117,942	268,249,771
Cash and cash equivalents	12	9,919,470	9,266,679	3,497,261
Other bank balances	13	54,434,868	34,835,504	21,458,159
Loans	14	73,104,963	75,751,717	75,592,107
Others	15	21,024,519	6,637,320	3,572,820
Current tax assets (Net)	16	6,625,226	10,068,287	9,645,266
Other current assets	17	133,520,235	117,473,349	108,493,157
Total Current assets		**1,202,144,091**	**835,945,125**	**740,851,884**
Total assets		**2,277,314,041**	**1,891,331,691**	**1,550,421,367**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	18	102,040,400	102,040,400	102,040,400
Other equity	19	(330,994,135)	(303,297,995)	(349,174,276)
Total equity		**(228,953,735)**	**(201,257,595)**	**(247,133,876)**
Non-current liabilities				
Financial liabilities				
Borrowings	20	1,179,350,067	1,051,879,350	964,147,416
Trade Payables	21	39,858,098	81,768,648	101,741,738
Provision	22	7,602,000	5,486,150	2,836,618
Deferred tax liabilities (net)	23	91,269,540	103,213,342	81,336,948
Total Non-current liabilities		**1,318,079,705**	**1,242,347,490**	**1,150,062,720**
Current liabilities				
Financial liabilities				
Borrowings	24	600,871,882	302,301,285	217,884,401
Trade payables	25	486,125,052	441,600,923	256,606,408
Other financial liabilities	26	94,365,643	98,427,560	164,365,411
Other current liabilities	27	6,556,611	7,731,460	8,538,724
Provisions	28	268,883	180,568	97,579
Total Current liabilities		**1,188,188,071**	**850,241,796**	**647,492,523**
Total equity and liabilities		**2,277,314,041**	**1,891,331,691**	**1,550,421,367**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

Place : Noida
Date : May 30, 2018

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
Director
(DIN-01139468)

Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Statement of Profit and Loss for the year ended 31 March 2018 (Amount in Rs.)

Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue from operations	29	4,238,772,279	2,790,708,888
Other income	30	12,165,440	146,241,552
Total income		4,250,937,719	2,936,950,440
Expenses			
Cost of raw material and components consumed	31	2,986,272,352	1,884,368,460
Changes in inventories of finished goods and work-in-progress	32	3,146,556	9,219,872
Excise duty on sale of goods		39,623,404	68,477,667
Employee benefits expense	33	147,750,250	119,439,998
Depreciation and amortization expense	34	75,421,032	63,922,568
Finance costs	35	155,950,360	115,921,136
Other expenses	36	883,059,753	607,769,439
Total expenses		4,291,223,707	2,869,119,140
Profit before tax		(40,285,988)	67,831,300
Tax expense / (credit)			
Current tax charge		-	-
Deferred tax charge / (credit)		(12,167,386)	21,903,605
Total Tax expense		**(12,167,386)**	**21,903,605**
Net profit for the year (A)		(28,118,602)	45,927,695
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligations		646,045	(78,625)
Tax credit on above		(223,583)	27,211
Gain / (loss) on fair value of equity instruments measured at fair value through other comprehensive income		-	-
Total Other Comprehensive Income (B)		422,462	(51,414)
Total Comprehensive Income (A + B)		(27,696,140)	45,876,281
Earnings per equity share [nominal value of Rs. 10 each (Previous Year : Rs. 10 each)	37		
Basic (in Rs.)		**(2.71)**	**4.50**
Diluted (in Rs.)		**(2.71)**	**4.50**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
Director
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Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Place : Noida
Date : May 30, 2018

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Statement of Cash Flow for the year ended 31 March 2018

	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flow from operating activities		
Profit before taxation (net)	(39,639,943)	67,752,675
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation on Property plant & equipment	75,421,032	63,922,568
Loss on sale of Property plant & equipment (net)	129,627	690,262
Net (gain)/loss arising on financial liabilities measured at fair value through profit or loss	107,696,560	86,588,166
Net (gain)/loss arising on financial assets measured at fair value through profit or loss	(6,511,260)	(125,137,123)
Interest income	(3,147,082)	(1,861,286)
Interest expense	22,972,344	12,279,529
Profit/(Loss) from AOP	-	(17,500,000)
Operating profit before working capital changes	**156,921,278**	**86,734,791**
Movements in working capital :		
(Increase)/Decrease in inventories	(133,131,272)	(68,450,984)
(Increase) / Decrease in trade receivables	(144,245,269)	5,131,829
(Increase) / Decrease in loans	2,719,895	(92,814)
(Increase) / Decrease in other financial assets	(14,387,199)	(2,857,985)
(Increase) / Decrease in current tax assets (net)	3,443,061	(423,021)
(Increase) / Decrease in other current assets	(16,046,887)	(8,980,192)
Increase/(Decrease) in deferred tax liabilities (net)	-	-
Increase/(Decrease) in trade payables	(5,154,443)	155,355,960
Increase/(Decrease) in other financial liabilities	(4,061,917)	(65,937,851)
Increase/(Decrease) in other current liabilities	(1,174,848)	(807,264)
Increase/(Decrease) in provisions	2,204,165	2,732,521
Cash generated from operations	**(152,913,436)**	**102,404,990**
Direct taxes paid (net)	-	-
Net cash from operating activities (A)	**(152,913,436)**	**102,404,990**
Cash flows from investing activities		
Purchase of Property plant & equipment, including intangible assets, CWIP and capital advances/creditors	(133,621,923)	(305,923,794)
Proceeds from sale of Property plant & equipment	500,000	1,166,926
Investment in Bank deposits (having original maturity of more than three months)	(19,599,365)	(13,377,345)
Proceeds from redemption of Bank deposits (having original maturity of more than three months)	-	-
Decrease / (Increase) in loans to body corporate	(0)	0
Interest received	3,147,082	1,861,286
Profit from AOP	-	17,500,000
Net cash (used in) investing activities (B)	**(149,574,206)**	**(298,772,927)**
Cash flows from financing activities		
Proceeds from short-term borrowings	-	-
Interest paid	(22,972,344)	(12,279,529)
Proceeds from borrowings	27,542,179	130,000,000
Net cash (used in) financing activities (C)	**4,569,835**	**117,720,471**
Net increase in cash and cash equivalents (A+B+C)	**(297,917,807)**	**(78,647,466)**
Cash and cash equivalents at the beginning of the year	**(293,034,606)**	**(214,387,140)**
Cash and cash equivalents at the end of the year	**(590,952,413)**	**(293,034,606)**

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on
2) Amounts in brackets indicate a cash outflow or reduction.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

Place : Noida
Date : May 30, 2018

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
Director
(DIN-01139468)

Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Statement of change in equity for the year ended 31 March 2018

A Equity share capital

	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of the reporting year	102,040,400	102,040,400	102,040,400
Balance at the end of the reporting year	102,040,400	102,040,400	102,040,400

B Other equity

Reserves & Surplus

Particulars	Retained earnings	Capital Redemption Reserve	Total
Balance as at April 1, 2016	**-349,174,276**		**-349,174,276**
Profit for the year	45,927,695	-	45,927,695
Other comprehensive income for the year (net of tax)	(51,414)	-	(51,414)
Balance as at March 31, 2017	**-303,297,995**	-	**-303,297,995**
Profit for the year	-28,118,603	-	-28,118,603
Other comprehensive income for the year (net of tax)	422,462	-	422,462
Balance as at March 31, 2018	**-330,994,136**	-	**-330,994,136**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
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Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Place : Noida
Date : May 30, 2018

Notes forming part of the financial statements as at and for the year ended 31 March 2018

1 Corporate Information

Chadha Papers Limited "the Company" Incorporated in India and having its registered office at Chadha Estate, Nainital Road, Tehsil Bilaspur - 244921, Distt. Rampur (UP). The Company is incorporated under the provisions of the Companies Act, 1956/2013. The Company is mainly engaged in the business of manufacturing and supply of paper. These are Company's Standalone financial statements. The details of Company's subsidiaries, associates and joint ventures are given in Note 46.

2 Basis of preparation

(a) Basis of preparation and compliance with Ind AS

For all periods upto and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under section 133 of Companies Act 2013 read together with Rule 7 of Companies (Accounts) rules, 2014, to the extend applicable, and the presentation requirements of Companies Act 2013.

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards notified under Section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind AS for the year ended March 31, 2018. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First- Time Adoption of Indian Accounting Standards with the date of transition as April 01, 2016. Refer note 48 for descriptions of the effect of the transition and reconciliations required as per Ind AS 101.

These financial statements are approved for issue by Board of Directors on May 30, 2018.

(b) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost except for certain financial assets and liabilities which are measured at fair value/amortised cost convention and on an accrual method of accounting. (Refer note 2.1.7 below)

2.1 Summary of significant accounting policies

2.1.1 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

Operating Cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Notes forming part of the financial statements as at and for the year ended 31 March 2018

2.1.2 Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Land acquired free of cost or at below market rate from the government is recognized at fair value with responding credit to deferred income.
On transition to Ind AS, the Company has elected to use the written down value of all the property, plant and equipment on the date of transition and designate the same as deemed cost as at April 01, 2016. Also Refer note 51 on First time adoption of Ind AS.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is calculated using the Written down value method (WDV) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates) or, in the case of certain leased assets, the shorter lease term as given below. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful life of assets are as follows:

Asset	Useful lives estimated by the management (years)
Factory buildings	30
Other than factory buildings	60
Plant and Machinery	15
Office equipments	5
Electrical Fittings	10
Computers and peripherals	3 - 6
Furniture and Fixtures	10
Furniture and Fixtures (Hotel)	8
Plant & Machinery (Hotel)	8
Vehicles	8

The above lives are equal to those indicated under Schedule II of the Companies Act, 2013.

Premium on leasehold land is amortised over the unexpired lease period ranging from 86 to 99 years. Cost of leasehold improvement is depreciated over their useful life or unexpired lease period, whichever is lower.

No depreciation is charged on Freehold land since they have an infinite life.

2.1.3 Capital-work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

S N M & Co. * Chartered Accountants * New Delhi

Notes forming part of the financial statements as at and for the year ended 31 March 2018

2.1.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Costs relating to software, software licenses and website development, which are acquired, are capitalized and amortized on a straight-line basis over the period of four years or actual period of license, whichever is lower.

Softwares are amortised over a period of useful lives from the date of purchase/ date of completion of development and put to use (3 years to 4 years), being the estimated useful life as per the management estimate or license term whichever is less.

Losses arising from the retirement of, and gains and losses arising from the disposal of intangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

2.1.5 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of Directors and Audit Committee determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets or disposal group held for distribution to shareholders.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

S M M & Co. New Delhi Chartered Accountants

2.1.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.1.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - Recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

(b) Debt instruments at fair value through other comprehensive income (FVOCI)

A 'debt instrument' is classified as FVOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

(c) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in profit or loss.

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(d) Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends,

(ii) Financial Assets - derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits

(b) Financial assets that are debt instruments and are measured as at FVOCI

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit or loss. The balance sheet presentation for various financial instruments is described below:

(a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.

Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Initial recognition & measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

The subsequent measurement of financial liabilities depends on their classification, as described below:

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(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(viii) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, futures and options contracts and forward commodity contracts, to hedge its foreign currency risks, market risks and commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contracts is entered into and are subsequently remeasured at fair value. Derivative are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative. The purchase contract that meet the definition of derivative under Ind AS 109 are recognized in the statement of profit or loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.1.8 Financial guarantees

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

2.1.9 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of breach.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.1.10 Investment Property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of investment property as per Previous GAAP less accumulated depreciation and cumulative impairment as on the transition date of April 1, 2016.

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. The Company has determined useful life of the investment property to be 60 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognision of property is recognised in the Statement of Profit and Loss in the same period.

2.1.11 Inventories

Raw materials, Components and Stores and Spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories 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. Cost is determined on moving weighted average price method.

Work in progress and Finished Goods are valued at lower of cost and net realizable value. Cost includes direct materials (determined on moving weighted average price method) and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

2.1.12 Revenue Recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods & Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenues from sales of goods are recognised when all significant risks and rewards of ownership of the goods sold are transferred to the buyer. Revenue from operations (Gross) includes excise duty collected by the company from the customers. The excise duty collected does not represent the economic benefits flowing to the company thus presented as an expense in the statement of profit or loss.

Interest

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Excise duty refund entitlement

The refund is accounted for as and when due, to the extent of excess of excise duty paid over in cash and above the cenvat credits taken on inputs, as per the terms of exemption in the relevant business unit.

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2.1.13 Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in profit or loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements are recognized as incomes or expense in the year in which they arise.

2.1.14 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.1.15 Retirements and other employee benefits

Defined Benefit Plans

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit or loss and are not deferred.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

2.1.16 Leases

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.1.17 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.1.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.1.19 Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

2.1.20 Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all the conditions attached to such grants will be complied with.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

There is no government grant during the year.

2.1.21 Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. An associate is an entity over which the Company is in a position to exercise significant influence over operating and financial policies.

Joint Arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

2.1.22 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is mainly engaged in the business of providingmainly engaged in the business of manufacturing and supply of paper which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 "Segment Reporting" are not applicable.

2.1.23 Critical accounting judgements and estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes:

Significant Estimates

(i) Useful economic lives and impairment of other assets

Property, plant and equipment as disclosed in note 3A are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

(ii) Deferred tax Assets/Liabilities

The Company has estimated certain business projections based on which it has recognised deferred tax assets/liabilities in these financial statements.

2.1.24 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

2.1.25 Standards issued but not yet effective

Recent Indian Accounting Standards (Ind AS)
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers
Ind AS 21 The effect of changes in Foreign Exchange rates
Ind AS 115 – Revenue from Contracts with Customers
Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer
- Step 2 : Identify the performance obligation in contract
- Step 3 : Determine the transaction price
- Step 4 : Allocate the transaction price to the performance obligations in the contract
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. APTOnline Limited is evaluating the impact of this amendment on its financial statements.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

Note No 3- Property, Plant and Equipment

(Amount in Rs.)

Particulars	Land & Building	Plant and equipment	Vehicles	Office equipment	Furniture and Fixtures	Computers and peripherals	Total
Gross Block							
As at 1 April 2016	136,601,459	1,187,566,410	30,261,130	5,082,490	3,994,753	4,744,960	1,368,251,202
Additions	3,163,597	296,660,349	1,188,177	2,179,478	701,518	484,485	304,377,604
Disposals	-	2,852,913	-	-	-	-	2,852,913
As at 31 March 2017	139,765,056	1,481,373,845	31,449,307	7,261,968	4,696,271	5,229,445	1,669,775,892
Additions	12,193,015	107,120,418	-	1,272,745	1,299,507	632,459	122,518,144
Disposals	-	1,574,810	-	-	-	-	1,574,810
As at 31 March 2018	151,958,071	1,586,919,453	31,449,307	8,534,713	5,995,778	5,861,904	1,790,719,226
Accumulated Depreciation							
As at 1 April 2016	59,317,915	614,437,114	26,657,444	3,252,368	1,862,934	3,255,876	708,783,651
Charge for the year	4,553,345	57,902,451	232,485	340,369	264,888	620,565	63,914,102
Disposals	-	995,725	-	-	-	-	995,725
As at 31 March 2017	63,871,260	671,343,840	26,889,929	3,592,737	2,127,822	3,876,441	771,702,028
Charge for the year	4,772,073	68,189,786	552,073	578,154	345,501	688,313	75,125,900
Disposals	-	945,183	-	-	-	-	945,183
As at 31 March 2018	**68,643,333**	**738,588,443**	**27,442,002**	**4,170,891**	**2,473,323**	**4,564,754**	**845,882,745**
Net Block							
As at 31 March 2018	**83,314,738**	**848,331,010**	**4,007,305**	**4,363,823**	**3,522,455**	**1,297,150**	**944,836,481**
As at 31 March 2017	**75,893,796**	**810,030,006**	**4,559,378**	**3,669,231**	**2,568,449**	**1,353,004**	**898,073,864**
As at 1 April 2016	**77,283,544**	**573,129,296**	**3,603,686**	**1,830,122**	**2,131,819**	**1,489,084**	**659,467,551**

Note No 4- Intangible Assets

(Amount in Rs.)

Particulars	Software, Server & Networks	Lease Hold Rights	Total
Gross Block			
As at 1 April 2016	-	67,800	67,800
Additions	1,546,190	-	1,546,190
Disposals	-	-	-
As at 31 March 2017	**1,546,190**	**67,800**	**1,613,990**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2018	**1,546,190**	**67,800**	**1,613,990**
Accumulated Amortisation			
As at 1 April 2016	-	24,138	24,138
Charge for the year	7,110	1,356	8,466
Disposals	-	-	-
As at 31 March 2017	7,110	25,494	32,604
Charge for the year	293,776	1,356	295,132
Disposals	-	-	-
As at 31 March 2018	**300,886**	**26,850**	**327,736**
Net Block			
As at 31 March 2018	**1,245,304**	**40,950**	**1,286,254**
As at 31 March 2017	**1,539,080**	**42,306**	**1,581,386**
As at 1 April 2016	-	**43,662**	**43,662**

Note:
1) The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

5 Non-current financial assets- Investment in subsidiaries
(at cost unless otherwise stated)

	March 31, 2018	March 31, 2017	April 1, 2016
Trade investments - Unquoted (At cost)			
Subsidiary Company			
Manorama Paper Mills Ltd.	3,412,030	3,412,030	3,412,030
Investments in Associate Company:			
Great Value Fuels Pvt. Ltd.*	-	-	44,226,000
Others			
Great Value Fuels Pvt. Ltd.**	-	44,226,000	-
A.B Grain & spirits Pvt. Ltd.***	16,743,250	16,743,250	16,743,250
Total	20,155,280	64,381,280	64,381,280

Note: *It was an associate company till 01 April 2016 but there was dilution in Company's holding due to the increase in the Paid Up Share Capital of the Investee during 2016-17.

**The Company is in negotiation to sale its shareholding in the Investee Company and has received advance from the interested buyer, and, therefore, it has been classified as Current Investment (Refer note no.10)

*** Due to Insufficient Information such Investments shown at cost

6 Non-current financial assets- Investments

	March 31, 2018	March 31, 2017	April 1, 2016
Investment in Equity instruments (Quoted)			
OBC Bank	42,000	42,000	42,000
Aggregate amount of quoted investments (Market value of Rs. 64,120 (Previous Year Rs. 98,595)			
Total	42,000	42,000	42,000

7 Non-current financial assets- Loans

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Loans to employees	-	-	-
Loan to other body corporate*	74,207,794	67,769,675	61,890,114
Total	74,207,794	67,769,675	61,890,114

*Note: These financial assets (Loan to other body corporate) are carried at amortised cost.

8 Non-current financial assets- Others

	March 31, 2018	March 31, 2017	April 1, 2016
Security Deposits	2,553,986	2,553,986	2,760,501
Advance to Suppliers & Contractors	20,984,375	20,984,375	20,984,375
Total	23,538,361	23,538,361	23,744,876

9 Inventories

	March 31, 2018	March 31, 2017	April 1, 2016
Raw Materials and components (Valued at cost)*	235,197,792	58,016,184	70,039,473
Stock-in-transit (Valued at cost)*	17,985,768	38,390,961	1,006,529
Work-in-progress (Valued at cost)*	26,090,000	42,125,000	37,125,000
Finished goods (Valued at cost or market price, which ever is lower)**	25,251,548	12,920,491	26,965,346
Goods on Consignment (Valued at cost)*	-	882,706	-
Stores and spares (Valued at Valued at cost or Market price, which ever is lower)	104,657,108	104,151,619	104,300,000
Others :	-	-	-
Packing Material (Valued at cost)*	5,887,166	5,211,981	1,436,459
Coal (Valued at cost)*	36,856,217	57,095,385	9,470,536
	451,925,599	318,794,327	250,343,343
Less: Provision for slow moving inventories	-	-	-
Total	451,925,599	318,794,327	250,343,343

10 Current financial assets - Investments

	March 31, 2018	March 31, 2017	April 1, 2016

Notes forming part of the financial statements as at and for the year ended 31 March 2018

Investments carried at fair value through other comprehensive income			
Investment in Equity Instruments-unquoted	44,226,000	-	-
Note: *It was an associate company till 01 April 2016 but there was dilution in Company's holding due to the increase in the Paid Up Share Capital of the Investee during 2016-17.			
**The Company is in negotiation to sale its shareholding in the Investee Company and has received advance from the interested buyer, and, therefore, it has been classified as Current Investment (Refer note no 5)			
Total	**44,226,000**	-	-
Aggregate amount of unquoted investments	44,226,000	-	-

Notes forming part of the financial statements as at and for the year ended 31 March 2018

11 Trade receivables
(at amortised cost)

	March 31, 2018	March 31, 2017	April 1, 2016
Others	380,191,144	231,290,569	264,984,106
Outstanding for a period exceeding six months from the due date	27,172,067	31,827,373	3,265,665
	407,363,211	**263,117,942**	**268,249,771**
Less: Provision for doubtful receivables	-	-	-
Total	**407,363,211**	**263,117,942**	**268,249,771**

a) Trade receivables are non interest bearing and are generally on credit terms of 30 to 90 days.
b) Trade receivables includes Rs. 31,991,364 (31 March 2017: Rs.18,370,459, 01 April 2016: Rs.28,993,973) receivable from related parties. For terms and conditions relating to related party receivable refer note 46).

12 Current financial assets - Cash and cash equivalents

	March 31, 2018	March 31, 2017	April 1, 2016
Cash on hand	1,113,428	180,776	920,655
Balances with banks in current accounts	8,806,042	9,085,902	2,576,606
Total	**9,919,470**	**9,266,679**	**3,497,261**

For the purpose of Statement of cash flows, Cash and cash equivalents comprise the following:

	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalents as per above	9,919,470	9,266,679	3,497,261
Bank Overdraft	(600,871,882)	(302,301,285)	(217,884,401)
Total	**-590,952,412**	**-293,034,606**	**(214,387,140)**

13 Current financials assets -Other bank balances

	March 31, 2018	March 31, 2017	April 1, 2016
Deposits with Original Maturity of More Than 12 Months	54,434,868	34,835,504	21,458,159
Less: Amount disclosed under non-current financial assets	-	-	-
Total	**54,434,868**	**34,835,504**	**21,458,159**

Margin money deposit includes:
1) Rs. 3,62,00,000 (31 March 2017: Rs. 3,03,41,500 01 April 2016: Rs. 1,96,41,500) pledged with banks against overdraft, bank guarantees and letter of credit facility.
2) Rs. 4,00,000 (31 March 2017: Rs. 4,00,000 01 April 2016: Rs. 4,00,000) pledged with government bodies.
3) Rs. 26,50,000 (31 March 2017: Rs. Nil 01 April 2016: Rs. Nil) deposit for tenders.

14 Current financials assets - Loans

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Loan to related parties (refer note 46)	843,046	769,905	703,109
Loan to other body corporate	70,964,672	73,318,262	73,318,262
Loan to employees	1,297,245	1,663,550	1,570,736
Total	**73,104,963**	**75,751,717**	**75,592,107**

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

15 Current financials assets - Others

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Security Deposits	21,024,519	6,637,320	3,572,820
Total	**21,024,519**	**6,637,320**	**3,572,820**

16 Current tax assets and Liabilities

Current Tax assets			
TDS Receivable (till 31.03.2018)	6,625,226	10,068,287	9,645,266
Current Tax Liabilities			
Income Tax payable	-	-	-
Total	**6,625,226**	**10,068,287**	**9,645,266**

17 Other current assets

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Advances recoverable			
Advance to suppliers	101,305,519	58,492,779	71,539,468
Advance to employees			
Others			
Prepaid expenses	2,851,270	1,195,933	496,883
Balance with statutory /government authorities	35,029,782	67,852,924	46,102,071
Margin Receivable	958,890	-	-
	140,145,461	127,541,636	118,138,422
Less: Transferred to Current Tax Assets as TDS receivable Note no. 16	6,625,226	10,068,287	9,645,266
Total	**133,520,235**	**117,473,349**	**108,493,157**

18 Equity Share capital

	March 31, 2018	March 31, 2017	April 1, 2016
Authorised shares			
1,05,00,000 (31st March 2017 - 1,05,00,000) Equity Shares of Rs.10 each	105,000,000	105,000,000	105,000,000
Issued, Subscribed and Fully Paid-up shares			
1,02,04,040 Equity Shares of Rs 10 each, fully paid in Cash (as at March 31, 2017: 1,02,04,040; as at April 1, 2016: 102,04,040)	102,040,400	102,040,400	102,040,400
Total	**102,040,400**	**102,040,400**	**102,040,400**

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs. 10 each fully paid up

	March 31, 2018	March 31, 2017	April 1, 2016
Shares outstanding at the commencement of the year	102,040,400	102,040,400	102,040,400
Shares Issued During the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the close of the year	**102,040,400**	**102,040,400**	**102,040,400**

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

b) Terms / rights attached to the equity shares

The Company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company
Equity Shares of Rs. 10 each fully paid up

	March 31, 2018	March 31, 2017	April 1, 2016
Equity Shares			
Smt. Prakash Kaur	-	1,959,954	1,959,954
Smt. Jatinder Kaur Chadha	1,388,590	1,388,590	1,388,590
Sh. Rajinder Singh Chadha	3,271,254	1,311,300	1,311,300
M/s Capco Holdings Pvt. Ltd.	2,689,376	2,689,376	2,689,376
Preference Shares			
M/s Chadha Holdings Pvt. Ltd.	8,871,420	8,871,420	6,126,610

19 Other equity (Refer statement of change in equity)

a) Capital Redemption Reserve: There is no Capital Redemption reserve.

b) Retained Earnings: This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

20 Non-current financial liabilities - Borrowings

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured - at amortised cost			
(i) Loans From Related Parties			
Redeemable Preference Share Capital	668,124,689	610,159,534	393,433,532
From Body Corporates	-	-	-
Chadha Holdings Pvt. Ltd.*	8,058,389	-	206,981,000
*(Interest payable @ 8%)			
Rado Enterprises Pvt. Ltd.	23,352,307	21,326,308	19,476,080
From Directors, Ex- Directors and Relatives			
Rajinder Singh Chadha (Old)	4,917,886	4,491,221	4,101,571
Smt. Deenita Chadha	995,278	908,929	830,072
Smt. Jitender Kaur (Old)	5,259,466	4,803,165	4,386,452
Smt. Prakash Kaur	539,609	492,794	450,040
Atpac Industries (Unsecured Loan)	275,223,619	251,345,771	173,893,573
(ii) Loans From Others			
From Body Corporates			
A.B. Grain Sprits Pvt. Ltd.	37,420	34,173	31,208
JkC PORTFOLIO PVT.LTD	74,207,794	67,769,675	61,890,114
Harjas Enterprises Pvt.Ltd	59,214,779	54,077,423	49,385,775
Shiv Shakti Trader	39,935,041	36,470,357	49,287,997
Secured - at cost			
(iii) Term Loan form Banks*			
Term Loan A/c No. 37348656293	19,483,790	-	-
*Secured by a mortgage over the entire fixed assets including proposed fixed assets. The term loan has been sanctioned for 54 months including moratorium period of 06 months will be repayable in by the company in 48 monthly installments of Rs. 28,12,500/- each, commencing from 30.04.2018. Interest will be charged as and when due			
Total	1,179,350,067	1,051,879,350	964,147,416

21 Non-current financial liabilities - Trade Payables
(at amortised cost)

	March 31, 2018	March 31, 2017	April 1, 2016
M/s Kailash Coal & Coke Co. Ltd.	34,562,129	71,636,176	92,488,339
M/s C.R.G. Trading & Finvest Pvt. Ltd.	5,295,970	10,132,472	9,253,399
Total	39,858,098	81,768,648	101,741,738

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

22 Non-current financial liabilities - Provisions

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Gratuity	5,152,457	3,684,890	1,842,012
Provision for Leave Encashment	2,718,426	1,801,260	994,606
Less: Transfered to short term provisions	268,883	-	-
Total	**7,602,000**	**5,486,150**	**2,836,618**

23 Deferred Tax Assets/Liabilities (Net)

	March 31, 2018	March 31, 2017	April 1, 2016
Deferred Tax Liabilities			
Related to Fixed Assets	122,559,597	114,068,363	108,454,379
Remeasurement Gain/(Loss) on Employee Benefit	196,373	(27,211)	-
Fair Valuation of Unsecured Loans and Business Advances	104,402,480	138,182,180	125,210,267
	227,158,450	252,223,333	233,664,646
Deferred Tax Assets			
Unabsorbed Depreciation & Carried Forward Loss	132,010,212	145,466,160	149,259,007
Disallowance u/s 43B of Income Tax Act, 1961	2,158,601	2,321,945	2,428,970
Gratuity	1,720,096	1,221,885	639,721
	135,888,910	149,009,991	152,327,698
Deferred Tax Liabilities (Net)	**(91,269,540)**	**(103,213,342)**	**(81,336,948)**

24 Current financial liabilities - Borrowings

	March 31, 2018	March 31, 2017	April 1, 2016
Secured (at amortised cost)			
Term Loan A/c No.-07171200011604	6,494,597		
Letter of Credit	-	89,305,412	76,558,946
Buyer's Credit	286,452,272	48,247,369	23,119,674
Cash Credit *	307,925,013	164,748,504	118,205,781
Total	**600,871,882**	**302,301,285**	**217,884,401**

*(Cash Credit-Rs. 30 Cr. and Letter of Credit and Buyer's Credit-aggregate Rs. 40 Cr. from SBI are secured by 1- stocks of raw materials, stock in process, stores & spares and finished goods at its works, godowns etc., (present & future) and including stock in transit and cash/credit balance in their accounts. 2- All present and future book debts/receivables as also clean or documentary bills, domestic or export, whether accepted or otherwise, export documents accompanied by Bill of Lading/AWB, Bill of Exchange, G.R. etc. & other documents called for in the contract and the Cheques/drafts/instruments etc drawn in its favour.

25 Current financial liabilities - Trade payables

	March 31, 2018	March 31, 2017	April 1, 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	486,125,052	441,600,923	256,606,408
Total	**486,125,052**	**441,600,923**	**256,606,408**

Trade payables are non-interest bearing and are normally settled upto 180 days terms.

Notes forming part of the financial statements as at and for the year ended 31 March 2018

26 Current financial liabilities - Others

	March 31, 2018	March 31, 2017	April 1, 2016
Trade/ Security deposits received	775,704	775,004	775,004
Advances from customers	26,771,549	20,179,589	45,803,974
Other Expenses Payable- Other Advances	66,818,389	77,472,967	80,799,268
Cheques issued but not presented in Bank	-	-	36,987,165
Total	**94,365,643**	98,427,560	164,365,411

27 Other current liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
Other Dues Payable	6,556,611	7,731,460	8,538,724
Total	**6,556,611**	**7,731,460**	**8,538,724**

28 Provisions - Current

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Gratuity	21,220	10,738	6,466
Leave encashment	247,663	169,830	91,113
Total	**268,883**	180,568	97,579

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 (Amount in Rs.)

29 Revenue from operations

	March 31, 2018	March 31, 2017
Revenue from Operations		
Sale of products		
Finished goods (including excise duty)	4,175,679,142	2,649,615,114
	4,175,679,142	2,649,615,114
Sale of Traded Goods		
Traded Goods	60,927,444	140,339,604
	60,927,444	140,339,604
Other operating revenue		
Sale of Other Items	2,165,693	754,170
	2,165,693	754,170
Revenue from Operations (gross)	**4,238,772,279**	**2,790,708,888**

Note: Revenue from operations includes excise duty on sale amounting to Rs. 39,623,404 (March 31, 2017: Rs. 68,477,667)

30 Other Income

	March 31, 2018	March 31, 2017
Interest income from financial assets measured at amortised cost		
Bank deposits	3,003,082	1,724,654
Interest on Security Deposit with Eudd	144,000	136,632
Interest on L/C		-
Notional Interest (Ind AS Adjustment)	6,511,260	125,137,123
Other non operating income		
Profit from AOP	-	17,500,000
Miscllaneous Income	2,507,098	1,320,886
Old Balance w/off*	-	10,369
Gain on Foreign Exchange Fluctuation	-	411,888
Total	**12,165,440**	**146,241,552**

31 Cost of raw material and components consumed

	March 31, 2018	March 31, 2017
Inventories at commencement of the year	96,407,145	71,046,002
Add: Purchases	3,143,048,767	1,909,729,603
Less: Inventories at the close of the year	253,183,560	96,407,145
Cost of raw material and components consumed	2,986,272,352	1,884,368,460

32 Changes in inventories of finished goods and work-in-progress

	March 31, 2018	March 31, 2017	(Increase) / decrease
Inventories at the close of the year			
Finished goods*	25,251,548	12,920,491	**(12,331,057)**
Stock-in-process	26,090,000	42,125,000	**16,035,000**
Excise duty on Closing Stock	-	(557,387)	**(557,387)**
	51,341,548	54,488,104	**3,146,556**
Inventories at commencement of the year			
Finished goods*	12,920,491	26,965,346	14,044,855
Stock-in-process	42,125,000	37,125,000	(5,000,000)
Excise duty on Opening Stock	-557,387	(382,370)	175,017
Total	**54,488,104**	**63,707,976**	**9,219,872**
	3,146,556	**9,219,872**	

*Inventories includes goods-in-transit.

33 Employee benefits expense

	March 31, 2018	March 31, 2017

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Salaries, wages and bonus	136,359,422	109,806,214
Contribution to provident and other funds	5,646,861	3,601,470
Gratuity expenses	2,102,874	1,768,525
Compensated absences	747,336	916,140
Workmen and staff welfare expenses	2,893,757	3,347,649
Total	**147,750,250**	**119,439,998**

34 Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets	75,125,900	63,914,102
Amortisation of intangible assets	295,132	8,466
Total	**75,421,032**	63,922,568

35 Finance costs

	March 31, 2018	March 31, 2017
Notional Interest (IND AS Adjustments)	107,696,560	86,588,166
Interest on CC A/c	21,120,109	12,279,529
Interest on LC A/c	1,787,358	-
Interest on Term Loan	64,877	-
Mark to market	-	
L.C. CHARGES	11,644,523	11,324,596
L.C. OPENING CHARGES	154,220	-
BUYER'S CREDIT CHARGES	9,412,910	2,171,903
LOAN PROCESSING CHARGES	3,977,281	3,256,976
Other Interest Expense	92,522	299,966
Total	155,950,360	115,921,136

36 Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spare parts	89,834,425	62,085,086
Consumption of packing materials	50,499,821	13,241,820
Manufacturing Exp.	56,205,547	47,735,026
Power and fuel	543,276,825	355,607,541
Water Cess	-	1,348,005
Rent including lease rentals	213,000	13,000
Repairs and maintenance - Buildings	2,587,153	3,464,391
Repairs and maintenance - Machinery	8,874,519	11,969,715
Repairs and maintenance - Others	1,602,037	1,980,800
Security Charges	4,792,326	5,118,554
Insurance	1,672,640	589,445
Rates and taxes	1,164,393	1,085,793
RoC Fees for Increase in Authorised Share Capital	-	1,875,000
Communication	1,166,086	1,224,498
Travelling and conveyance	7,916,967	6,725,885
Printing and stationery	515,506	502,690
Freight and forwarding	42,344,393	11,548,593
MAT credit entitlement W/off	-	3,825,243
Old Balance w/off	-	3,500,636
Legal and professional	4,370,932	6,959,633
Payments to auditor		
As Statutory audit fee	200,000	230,000
As Tax Audit Fee	100,000	115,000
As Cost Audit Fee	-	69,000
As Limited Review Fee	100,000	115,000
As Internal Audit Fee	549,250	-
Commission on Sales	52,113,876	55,986,667
Prior period items (net)	555,431	1,917,139
Exchange Fluctuation	4,568,027	-
Miscellaneous expenses	7,182,276	7,999,297
Bank Charges	524,697	245,720
Loss on sale of Fixed Assets	129,627	690,262
Total	883,059,753	607,769,439

Notes forming part of the financial statements as at and for the year ended 31 March 2018 **(Amount in Rs.)**

37 Earnings per equity share

	March 31, 2018	March 31, 2017
Net profit after tax as per statement of profit and loss	(27,696,140)	45,876,281
Amount available for equity shareholders	-27,696,140	45,876,281
Weighted average number of equity shares in calculating basic / diluted EPS	10,204,040	10,204,040
Earnings per Share, basic and diluted (Rs.)	(2.71)	4.50
Face value per equity share (Rs.)	10	10

38 **Employee benefit plans**

Defined contribution plans

Central provident fund
In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2018 and 2017) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The Company contributed a total of Rs. 4,142,855 for the year ended March 31, 2018 and Rs. 3,601,470 for the year ended March 31, 2017 to defined contribution plans.
Defined benefit plans
Gratuity Plan
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible to a gratuity on departure at 15 days salary (last drawn salary) for each
The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet in accordance
Principal actuarial assumptions
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	7.71%	7.54%	8.00%
Future salary increase	7.00%	7.00%	7.00%
Retirement Age (Years)	60	60	60
Mortality rate inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and relevant factors, such as supply and demand in the employment market.
Amount recongnised in balance sheet consists of:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Fair value of plan assests	-	-	-
Present value of defined benefit obligations	5,152,457	3,695,628	1,848,478
Net (liability) / asset arising from defined benefit obligation	**5,152,457**	**3,695,628**	**1,848,478**

Amount recognised in statement of Profit or Loss in respect of defined benefit plan are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Current service cost	1,824,224	1,620,647	1,084,724
Net interest cost / (income)	278,650	147,878	64,082
Components of defined benefit costs recognised in statement of profit or loss	**2,102,874**	**1,768,525**	**1,148,806**

Amount recognised in other comprehensive income in respect of defined benefit plan are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Actuarial gain / (loss) on arising from change in financial assumption	(110,274)	224,033	219,058
Actuarial gain / (loss) on arising from experience adjustment	(535,771)	(145,408)	(320,416)
Actuarial gain /(loss) for the year on plan asset	-	-	-
Component of defined benefit cost recognized in other comprehensive income	**(646,045)**	**78,625**	**(101,358)**

Movement in present value of defined benefit obligation:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Present value of obligation as at the beginning of the period	3,695,628	1,848,478	801,030
Interest Cost	278,650	147,878	64,082
Service Cost	1,824,224	1,620,647	1,084,724
Benefits Paid	-	-	-
Acquisition adjustment	-	-	-
Total Actuarial (Gain)/Loss on Obligation	(646,045)	78,625	(101,358)
Present value of obligation as at the end of the period	**5,152,457**	**3,695,628**	**1,848,478**

Movement in the fair value of plan assets is as follow:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Fair value of plan assets at the beginning of the period	-	-	-
Interest income	-	-	-
Actuarial gain /(loss) for the year on plan asset	-	-	-
Employer contribution	-	-	-
Benefits paid	-	-	-
Fair value of plan assets at the end of the period	-	-	-

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Percentage allocation of plan assets by category

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Government Securities	0.00%	0.00%	0.00%
Non-Convertible Debenture/Bonds	0.00%	0.00%	0.00%
Equity Instruments	0.00%	0.00%	0.00%
Fixed Deposits	0.00%	0.00%	0.00%

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective

Increase / (Decrease) in defined benefit obligation	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate			
Increase by 0.50%	(328,963)	(258,564)	
Decrease by 0.50%	365,840	288,612	
Expected rate of increase in compensation level of covered employees			
Increase by 0.50%	366,615	288,729	
Decrease by 0.50%	(332,511)	(260,956)	

The above sensitivity analysis may be not representative of actual benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using projected unit credit method at the end of reporting period which is the same as that applied in calculating the defined benefit liability recognized in Balance sheet.

Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability. Longevity risk/ Life expectancy The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC).Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

39 Capital management

The Company manages its capital in order to maximising the return to stakeholders through efficient allocation of capital toward expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts except overdraft limits obtained to augment its working capital and meets its requirement through equity. The Cash surpluses are currently invested in income generating debts instruments (including through mutual funds), equity instruments depending on economic condition in line with the guidelines set out the management.

The Company is not subject to any externally imposed capital requirements.

The management of the company reviews the capital structure of the company on regular basis. As part of this review, the board considers the cost of capital and risk associates with movement in the working capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, overdraft facilities, trade payables and other liabilities, less cash and cash equivalent and other bank balances.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans and borrowings	1,780,221,949	1,354,180,634	1,182,031,816
Less: Cash and cash equivalents	(9,919,470)	(9,266,679)	(3,497,261)
Less : Other bank balances	(54,434,868)	(34,835,504)	(21,458,159)
Net debt	**1,715,867,610**	**1,310,078,452**	**1,157,076,397**
Total Capital	(228,953,736)	(201,257,595)	(247,133,876)
Capital and net debt	**1,486,913,874**	**1,108,820,856**	**909,942,521**
Gearing ratio(%)	**115.40%**	**118.15%**	**127.16%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018.

40 Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for amount to Rs. 39,226,321 (31 March 2017: Nil, 01 April 2016: Nil).

41 Segment Information

As the Company has a single reportable segment, the segment wise disclosure requirement of Ind AS 108 on operating segment is not applicable to it.

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42 Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

(A) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2018

Financial Assets	At Cost	Fair value through profit or	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	20,197,280	-	-	20,197,280	20,197,280
Non Current Loans			74,207,794	74,207,794	74,207,794
Other financial assets	23,538,361			23,538,361	23,538,361
Current Investments	44,226,000			44,226,000	44,226,000
Trade receivables	407,363,211	-		407,363,211	407,363,211
Cash and cash equivalents	9,919,470	-		9,919,470	9,919,470
Other bank balances	54,434,868	-		54,434,868	54,434,868
Current Loans	73,104,963	-		73,104,963	73,104,963
Other financial assets	21,024,519	-		21,024,519	21,024,519
Total	**653,808,672**	**-**	**74,207,794**	**728,016,466**	**728,016,466**

Financial Liabilities	At Cost	Fair value through profit or	At Amortised Cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	1,179,350,067	1,179,350,067	1,179,350,067
Trade Payables	-	-	39,858,098	39,858,098	39,858,098
Provisions	-	-	7,602,000	7,602,000	7,602,000
Current Borrowings	600,871,882	-	-	600,871,882	600,871,882
Trade payables	486,125,052	-	-	486,125,052	486,125,052
Other financial liabilities	94,365,643	-	-	94,365,643	94,365,643
Total	**1,181,362,576**	**-**	**1,226,810,165**	**2,408,172,741**	**2,408,172,741**

As at March 31, 2017

Financial Assets	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	64,423,280	-	-	64,423,280	64,423,280
Non Current Loans			67,769,675	67,769,675	67,769,675
Other financial assets	23,538,361			23,538,361	23,538,361
Current Investments	-			-	-
Trade receivables	263,117,942	-		263,117,942	263,117,942
Cash and cash equivalents	9,266,679	-		9,266,679	9,266,679
Other bank balances	34,835,504	-		34,835,504	34,835,504
Current Loans	75,751,717	-		75,751,717	75,751,717
Other financial assets	6,637,320	-		6,637,320	6,637,320
Total	**477,570,802**	**-**	**67,769,675**	**545,340,477**	**545,340,477**

Financial Liabilities	At Cost	Fair value through profit or	At Amortised Cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	1,051,879,350	1,051,879,350	1,051,879,350
Trade Payables	-	-	81,768,648	81,768,648	81,768,648
Provisions	-	-	5,486,150	5,486,150	5,486,150
Current Borrowings	302,301,285	-	-	302,301,285	302,301,285
Trade payables	441,600,923	-	-	441,600,923	441,600,923
Other financial liabilities	98,427,560	-	-	98,427,560	98,427,560
Total	**842,329,767.85**	**-**	**1,139,134,148**	**1,981,463,916**	**1,981,463,916**

As at April 1, 2016

Financial Assets	At Cost	Fair value through profit or	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	64,423,280	-	-	64,423,280	64,423,280
Non Current Loans	-	-	61,890,114	61,890,114	61,890,114
Other financial assets	23,744,876	-	-	23,744,876	23,744,876
Current Investments	-	-	-	-	-
Trade receivables	268,249,771	-	-	268,249,771	268,249,771
Cash and cash equivalents	3,497,261	-	-	3,497,261	3,497,261
Other bank balances	21,458,159	-	-	21,458,159	21,458,159
Current Loans	75,592,107	-	-	75,592,107	75,592,107
Other financial assets	3,572,820	-	-	3,572,820	3,572,820
Total	**460,538,274**	**-**	**61,890,114**	**522,428,388**	**522,428,388**

Financial Liabilities	Fair value through profit or loss	Fair value through other	Amortised cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	964,147,416	964,147,416	964,147,416
Trade Payables	-	-	101,741,738	101,741,738	101,741,738
Provisions	-	-	2,836,618	2,836,618	2,836,618
Current Borrowings	217,884,401	-	-	217,884,401	217,884,401
Trade payables	256,606,408	-	-	256,606,408	256,606,408
Other financial liabilities	164,365,411	-	-	164,365,411	164,365,411
Total	**638,856,219**	**-**	**1,068,725,772**	**1,707,581,991**	**1,707,581,991**

(B) Risk management framework

The Company's businesses are subject to several risks and uncertainties including financial risks.

Th Company's board of directors has the responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of the daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified with active involvement of senior management personnel at all levels. Each operating division has in place risk management processes which are in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Joint Managing Director. Daily treasury operations of the Company are managed by the treasury team within the framework of the Company's treasury policies. Long-term fund raising including strategic treasury initiatives are handled by a dedicated team. A monthly reporting system exists to inform senior management of investments, debt, currency, and commodity derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are supplemented by regular internal audits.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include , deposits and FVTOCI investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

(a) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on profit or loss, the statement of change in equity, where any transaction references more than one currency or where Exposures on foreign currency loans are managed through a hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company uses forward exchange contracts and other derivatives to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies. Most of these transactions are denominated in US dollar. The following analysis is based on the gross exposure as at the reporting date.

Un-hedged Foreign currency exposure:

Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Financial asset	Financial liability	Financial asset	Financial liability	Financial asset	Financial liability
INR	-	286,452,272	-	48,247,370	-	-
USD	-	4,403,970	-	744,393	-	-
GBP	-	-	-	-	-	-
EURO	-	-	-	-	-	-
SAR	-		-	-	-	-
AED	-	-	-	-	-	-

The Company's exposure to foreign currency arises where the Company holds monetary assets and liabilities denominated in a currency different from the functional currency of the business, with US dollar for being the major non functional currency for manufacturing business. The changes in the foreign currency exchange rate and other market changes are not expected to have any significant impact on these financial statements.

(b) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments. The Company invests cash and current financial asset investments in short-term deposits, equity instruments and debt mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

(c) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on

As at March 31, 2018

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	1,179,350,067	1,179,350,067
Trade payables	-	39,858,098	39,858,098
Provision	-	7,602,000	7,602,000
Current			
Borrowings*	600,871,882	-	600,871,882
Trade payables	486,125,052	-	486,125,052
Other Financial Liabilitoes	27,547,253	66,818,389	94,365,643
Total	**1,114,544,187**	**1,293,628,555**	**2,408,172,741**

As at March 31, 2017

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	1,051,879,350	1,051,879,350
Trade payables	-	81,768,648	81,768,648
Provision	-	5,486,150	5,486,150
Current			-
Borrowings*	302,301,285	-	302,301,285
Trade payables	441,600,923	-	441,600,923
Other Financial Liabilitoes	20,954,593	77,472,967	98,427,560
Total	**764,856,801**	**1,216,607,115**	**1,981,463,916**

As at April 1, 2016

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	964,147,416	964,147,416
Trade payables	-	101,741,738	101,741,738
Provision	-	2,836,618	2,836,618
Current			
Borrowings*	217,884,401	-	217,884,401
Trade payables	256,606,408	-	256,606,408
Other Financial Liabilitoes	83,566,143	80,799,268	164,365,411
Total	**558,056,951**	**1,149,525,040**	**1,707,581,991**

* Borrowings consists of bank overdraft facility.

The Company has access to the following funding facilities

As as March 31, 2018

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	435,000,000	307,925,013	127,074,987
Total	**435,000,000**	**307,925,013**	**127,074,987**

As as March 31, 2017

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	335,000,000	164,748,504	170,251,496
Total	**335,000,000**	**164,748,504**	**170,251,496**

As as April 1, 2016

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	135,000,000	118,205,781	16,794,219
Total	**135,000,000**	**118,205,781**	**16,794,219**

(d) Counterparty and concentration of credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities like trade receivables, inter corporate advances, deposits with banks and other financial instruments etc.

43 Expenditure in Foreign Exchange

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Purchase of Goods (Expenditure)	360,428,814	194,270,458	-
Total	**360,428,814**	194,270,458	-

44 Earnings in Foreign Exchange

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earnings	-	-	-
Total	-	-	-

45 Related Party Disclosure

Names of related parties and related party relationship

Related Parties where control exists

Subsidiary Companies

Manorama Paper Mills Limited

Related Parties under Ind AS 24 with whom transactions have taken place during the year

Key Management Personnel

Amanbir Singh Sethi

Enterprises owned or significantly influenced by key management personnel or their relatives

Aman Box Factory Private Limited

ATPAC Industries

Chadha Holdings Private Limited

Shiv Shakti Traders

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46 **Related Party Disclosure Contd...**

Transactions and outstanding balances with related parties

a. Sale / purchase of goods and services

	Year ended	Sales of goods and services */Machinery	Purchase of goods and services*
Enterprises owned or significantly influenced by key management personnel or their relatives			
Aman Box Factory Private Limited	**March 31, 2018**	**87,277,977**	**5,478,782**
	March 31, 2017	89,667,391	22,827,500
ATPAC Industries	**March 31, 2018**	**139,783,637**	**11,806,996**
	March 31, 2017	111,628,604	9,076,786
Grand Total	**March 31, 2018**	**227,061,614**	**17,285,778**
	March 31, 2017	201,295,995	31,904,286

b. Receivable / payable wrt sale / purchase of goods and services

	Year ended	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives			
Aman Box Factory Private Limited	**March 31, 2018**	**31,991,364**	-
	March 31, 2017	18,370,459	-
ATPAC Industries	**March 31, 2018**	-	**20,125,883**
	March 31, 2017	-	3,706,143
Grand Total	**March 31, 2018**	**31,991,364**	**20,125,883**
	March 31, 2017	18,370,458	3,706,143

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c. Loans accepted and repayment thereof

	Year ended	Loans accepted	Loan paid back	Interest Expense	Loan paid back (By Issuance of Pref. Shares)
Enterprises owned or significantly influenced by key management personnel or their relatives					
Chadha Holdings Private Limited	**March 31, 2018**	**8,000,000**	-	64,877	-
	March 31, 2017	67,500,000	-	-	274,481,000
ATPAC Industries	**March 31, 2018**	-	-	-	-
	March 31, 2017	80,000,000	-	-	-
Shiv Shakti Traders	**March 31, 2018**	-	-	-	-
	March 31, 2017	-	17,500,000	-	-
Grand Total	**March 31, 2018**	8,000,000	-	64,877	-
	March 31, 2017	147,500,000	17,500,000	-	274,481,000

d. Balances of loans and advances

	Year ended	Amount owed by related parties	Amount owed to related parties
Subsidiary Companies			
Manorama Paper Mills Limited	**March 31, 2018**	**1,010,833**	-
	March 31, 2017	1,010,833	-
Enterprises owned or significantly influenced by key management personnel or their relatives			
Chadha Holdings Private Limited (Redeemable Preference Share Capit	**March 31, 2018**	-	**887,142,000**
	March 31, 2017	-	887,142,000
Chadha Holdings Private Limited	**March 31, 2018**	-	**8,058,389**
	March 31, 2017	-	-
Shiv Shakti Traders	**March 31, 2018**	-	**47,883,113**
	March 31, 2017	-	47,883,113
Rado Enterprises Private Limited	**March 31, 2018**	-	**28,000,000**
	March 31, 2017	-	28,000,000
ATPAC Industries	**March 31, 2018**	-	**330,000,000**
	March 31, 2017	-	330,000,000
Grand Total	**March 31, 2018**	1,010,833	1,301,083,502
	March 31, 2017	1,010,833	1,293,025,113

Amount owed to / owed by related parties in foreign currency has been reinstated using the exchange rate prevailing at the year end.
Loans given are repayable on demand. These loans carry interest at the rate of 10% p.a.

e. Transactions with key management personnel / relatives of key management personnel

	Year ended	Remuneration paid	Remuneration payable
Amanbir Singh Sethi, Whole time director	**March 31, 2018**	**6,000,000**	-
	March 31, 2017	5,224,000	-
Grand Total	**March 31, 2018**	6,000,000	-
Accordingly the Company's share in the accumulated profit after tax c	March 31, 2017	5,224,000	-

47 Auditor's Remuneration*

	31 March 2018	31 March 2017	01 April 2016
1. Statutory Audit Fee	200,000	200,000	125,000
2. Tax Audit Fee	100,000	100,000	75,000
3. Limited review	100,000	100,000	100,000
Total	400,000	400,000	300,000

*Excluding taxes

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

48 Contingent Liabilities

		31 March 2018	31 March 2017	01 April 2016
(a)	**Claims against the Company not acknowledged as debts**	-	-	-
(i)	The company had placed an order for purchase of some machinery with M/s Hindustan Door Oliver Ltd against which it had given them advance for Rs. 46 lakhs. However dispute arose as the company refused to take delivery of the material on the ground that it did not meet the required specifications. Consequently in the year 1999, M/s Hindustan Door Oliver Ltd filed a compensation claim of Rs. 1 crore in the Hon'ble Bombay High Court. The company challenged the contention of M/s Hindustan Door Oliver Ltd as also the jurisdiction of Hon'ble Bombay High Court in the matter. The matter was subsequently transferred to the court of Hon'ble Court of ADJ, Saket, New Delhi. Next date of hearing in this case is 07.07.2018.	10,000,000	10,000,000	10,000,000
(ii)	The company had been procuring Imported Waste paper from M/s VIPA Lausanne SA. During the year 2009, one of the consignments shipped by M/s Vipa Lausanne SA to the company was sold to some third party by M/s VIPA Lausanne SA. However later it started claiming demurrage charges from the company and filed a winding up petition of the company u/s 433 and 434 of Companies Act, 1956 before the Hon'ble Allahabad High Court. The matter was disputed by the company before the Hon'ble High Court on the ground that the company is not liable to pay any demurrage charges and also the fact that M/s VIPA Lausanne SA being a company registered outside India can not file the suit in India against the company registered in India.	20,000,000	20,000,000	20,000,000
(iii)	During the year 2007 the company had purchased some boiler material from M/s Balaji Minerals. The material was rejected as it was not as per the specification given by the company. Against this M/s Balaji Minerals filed a suit in the Hon'ble ADJ Court Jaipur in the year 2010. The case is pending till date.	60,000	60,000	60,000
(iv)	During the year 2007 the company had purchased some boiler material from M/s Satyam Minerals. The material was rejected as it was not as per the specification given by the company. Against this M/s Satyam Minerals filed a suit in the Hon'ble ADJ Court Jaipur in the year 2010. The case is pending till date.	76,000	76,000	76,000
(v)	During the year2009 the company had purchased Hydro-SF Chemical from M/s Transpek Silox Industry Ltd. However, the material was rejected on it being not as per the specification given by the company. Against this M/s Transpek Silox Industry Ltd file a suit in the Hon'ble CJ (SD) Court Vadodara in the year 2010. The case is still pending.	958,000	958,000	958,000
(vi)	The company had purchased some material from M/s Jyoti Metal. However the material was having some defects and the company raised debit notes for that. Against this M/s Jyoti Metal has filed a suit before the Hon'ble Bombay High Court for the recovery of Rs. 9.77 Lacs. The Hon'ble High Court ordered the Company to deposit Rs. 2.66 Lacs and transferred the matter to District court. The Company filed an application before the H'able High Court against the execution order. Both our application in Hon'ble High Court and main suit in District court are pending.	977,000	977,000	977,000

These claims are in respect of various cases filed by the customers and employees. The legal proceedings are on-going and therefore, it is not practicable to state the timing of any payments. The management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

(vii) The Sales Tax Department has raised the following demands during the financial year 2017-18 against the company for which the company has filed appeals:

(a)

Assessment Year 2014-15 (Assessment Order Date: 08.09.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	770,093	693,084	77,009
CST	506,719	456,047	50,672
Entry Tax	-	-	-

Assessment Year 2015-16 (Assessment Order Date: 30.06.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	8,362,722	7,526,450	836,272
CST	1,740,883	1,566,795	174,088
Entry Tax	2,503,922	2,253,530	250,392

A.Y. 2009-10 and 2010-11	Demand Amount	Stay Granted in Appeal	Tax Deposited under protest
UP VAT/CST/Entry Tax (2009-10)	2,631,468	1,973,601	1,000,000
UP VAT/CST/Entry Tax (2010-11)	1,769,977	1,327,483	500,000

(b) **Detail of Statutory Dues**

UP Trade Tax (3B Form)	340,000	340,000	340,000
Appeal Pending UP, Tax Disputed Case A/y 2009-10	19,011	19,011	19,011
Appeal Pending UP, Tax Disputed Case A/y 2010-11	19,096	19,096	19,096
Appeal Pending UP, Tax Disputed Case A/y 2011-12	276,750	276,750	276,750

(b) **Detail of Other Dues Payable**

Other Dues - Liabilities	3,017,660	3,017,660	3,017,660

49 The Company hold the lease hold right of using an accommodation for a week per year (on cumulating basis) of Sterling Holidays Resorts where ever constructed. The original payment made by the company is Rs.67,800 the right of use is treated as fixed assets and depreciation is being charged considering the period of lease.

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50 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of Companies Act 2013, read together with paragraph 7 of Companies (Account) Rules 2014 ('Previous GAAP'). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed
Set out below are the applicable Ind AS101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

a) **Ind AS optional exemptions**

i) **Deemed cost**
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets and investment properties.
Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their Previous GAAP carrying value.

b) **Ind AS mandatory exceptions**

i) **Estimates**
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

- Impairment of financial assets based on expected credit loss model.

ii) **De-recognition of financial assets and liabilities**
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109 retrospectively from a date the entity chooses, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) **Classification and measurement of financial assets**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flow for the periods. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

c) **Reconciliations between Previous GAAP and Ind AS**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS

Particulars	Notes to first-time adoption	March 31,2017	April 1, 2016
Total equity (shareholder's funds) as per Previous GAAP		**(477,020,012)**	**(497,292,039)**
Impact of measuring investments at FVTPL	d.i	413,941,681	375,368,429
Deferred tax impact	d.iii	(138,179,264)	(125,210,266)
Total adjustments		**275,762,417**	**250,158,163**
Total equity as per Ind AS		**(201,257,595)**	**(247,133,876)**

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS

Particulars	Notes to first-time	March 31,2017
Profit after tax as per Previous GAAP		20,272,027
Reclassification of actuarial (gain) / loss in respect of defined benefit plan to 'Other Comprehensive Income'	d.ii	78,625
Effect of measuring investments at FVTPL	d.i	38,548,957
Reclassification of fair value loss on equity instruments designated as FVOCI to 'Other Comprehensive Income'	d.i, d.ii	-
Deferred tax impact	d.iii	(12,971,914)
Profit as per Ind AS		**45,927,695**
Other comprehensive income (net of tax)	d.ii	(51,414)
Total Comprehensive Income for the year		**45,876,281**

d) **Notes to first-time adoption:**

i) **Fair valuation of investments**
Under the Previous GAAP, investments in mutual funds and equity instruments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes (net of tax) of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss/ other comprehensive income for the year ended 31 March 2016.

ii) **Other comprehensive income**
Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments net of tax. The concept of other comprehensive income did not exist under Previous GAAP.

iii) **Deferred tax**
Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period excluding permanent differences. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP, as the same were considered as permanent difference.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Further, under Ind-AS, MAT credit entitlement has been treated as component of deferred tax and has been reflected accordingly in these financial statements. Under the Previous GAAP, the same was disclosed as a separate tax credit in the statement of profit and loss and a separate tax asset in the balance sheet. This however has no effect either on the equity or on the profit after tax as was reported under the Previous GAAP.

iv) **Statement of cash flows**
The transition from Previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

S.N. Dhawan & Co. New Delhi Chartered Accountants

SNMG & CO.

CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHADHA PAPERS LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying Consolidated Ind AS financial statements of **Chadha Papers Limited** ("the Holding Company") and its Subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2018 & the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statement by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated losses for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of Manorama Paper Mills Limited (subsidiary), whose financial statements reflect total assets of Rs. 104,912,336 as at 31st March, 2018 and total revenues Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The consolidated Balance Sheet and the consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "**Annexure A**", which is based on the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, its subsidiary companies and associate companies incorporated in India, internal financial controls over financial reporting, and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

      i. There were no pending litigations as at March 31, 2018 which would impact the consolidated financial position of the Group.

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ii. The Group has not any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended March 31, 2018.

For SNMG & Co.
FRN : 004921N
Chartered Accountants

Rakesh Kumar
Partner
M. No. : 083911

Place: New Delhi
Date : May 30, 2018

"Annexure A" to Independent Auditors' Report on the consolidated financial statements

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Chadha Papers Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company, its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

For **SNMG & Co.**
FRN : 004921N
Chartered Accountants

SNMG & Co. New Delhi Chartered Accountants

Rakesh Kumar
Partner
M. No. : 083911

Place: New Delhi
Date : May 30, 2018

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Consolidated Balance Sheet as at 31 March 2018

(Amount In Rs.)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	998,106,529	951,343,912	712,737,599
Capital work-in-progress		11,103,780	-	-
Intangible assets	4	1,286,254	1,581,386	43,662
Financial assets		-	-	-
Investments				
Investment in subsidiaries and associates	5	23,259,586	67,485,586	67,485,586
Other investments	6	42,000	42,000	42,000
Loans	7	74,207,794	67,769,675	61,890,114
Other financial assets	8	10,304,400	10,304,400	10,510,916
Total Non-current assets		**1,118,310,343**	**1,098,526,959**	**852,709,877**
Current assets				
Inventories	9	465,018,543	331,887,270	263,436,287
Financial assets		-	-	-
Investments	10	44,226,000	-	-
Trade receivables	11	437,585,314	293,339,638	298,471,467
Cash and cash equivalents	12	9,969,741	9,330,548	3,577,272
Other bank balances	13	54,484,868	34,885,504	21,508,159
Loans	14	74,115,796	76,762,550	76,602,940
Others	15	29,217,278	14,842,486	11,779,786
Current tax assets (Net)	16	6,625,226	10,068,287	9,645,266
Other current assets	17	133,554,446	117,507,560	108,527,368
Total Current assets		**1,254,797,212**	**888,623,843**	**793,548,545**
Total assets		**2,373,107,555**	**1,987,150,802**	**1,646,258,422**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	18	181,820,400	181,820,400	181,820,400
Other equity	19	(365,198,990)	(337,241,322)	(382,900,539)
Total equity		**(183,378,590)**	**(155,420,922)**	**(201,080,139)**
Non-current liabilities				
Financial liabilities				
Borrowings	20	1,180,184,078	1,052,641,003	964,842,990
Trade Payables	21	39,858,098	81,768,648	101,741,738
Provision	22	7,602,000	5,486,150	2,836,618
Deferred tax liabilities (net)	23	91,269,540	103,213,342	81,336,948
Total Non-current liabilities		**1,318,913,716**	**1,243,109,143**	**1,150,758,294**
Current liabilities				
Financial liabilities				
Borrowings	24	612,557,973	313,841,095	229,290,620
Trade payables	25	517,182,854	472,653,533	287,659,018
Other financial liabilities	26	100,775,643	104,837,560	170,775,411
Other current liabilities	27	6,556,611	7,731,460	8,538,724
Provisions	28	499,348	398,933	316,494
		-	-	-
Total Current liabilities		**1,237,572,429**	**899,462,581**	**696,580,267**
Total equity and liabilities		**2,373,107,555**	**1,987,150,802**	**1,646,258,422**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

SNMG & CO. Chartered Accountants Noida Delhi

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
Director
(DIN-01139468)

Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Place : Noida
Date : May 30, 2018

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Consolidated Statement of Profit and Loss for the year ended 31 March 2018 **(Amount in Rs.)**

Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue from operations	29	4,238,772,279	2,790,708,888
Other income	30	12,165,440	146,241,552
Total income		4,250,937,719	2,936,950,440
Expenses			
Cost of raw material and components consumed	31	2,986,272,352	1,884,368,460
Changes in inventories of finished goods and work-in-progress	32	3,146,556	9,219,872
Excise duty on sale of goods		39,623,404	68,477,667
Employee benefits expense	33	147,750,250	119,439,998
Other expenses	34	883,084,245	607,786,739
Depreciation and amortization expense	35	75,421,032	63,922,568
Finance costs	36	156,114,256	116,054,103
Total expenses		4,291,412,095	2,869,269,407
Profit before tax		(40,474,376)	67,681,033
Tax expense / (credit)			
Current tax charge		-	-
Deferred tax charge / (credit)		(12,167,386)	21,903,605
Total Tax expense		(12,167,386)	21,903,605
Net profit for the year (A)		(28,306,990)	45,777,428
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligations		646,045	(78,625)
Tax credit on above		(223,583)	27,211
Gain / (loss) on fair value of equity instruments measured at fair value through other comprehensive income		-	-
Total Other Comprehensive Income (B)		422,462	(51,414)
Total Comprehensive Income (A + B)		(27,884,528)	45,726,014
Earnings per equity share [nominal value of Rs. 10 each (Previous Year : Rs. 10 each)	37		
Basic (in Rs.)		(2.76)	4.50
Diluted (in Rs.)		(2.76)	4.50
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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(PAN-AGGPA7327L)

Place : Noida
Date : May 30, 2018

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Consolidated Statement of Cash Flow for the year ended 31 March 2018

	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flow from operating activities		
Profit before taxation (net)	(39,828,331)	67,602,407
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation on Property plant & equipment	75,421,032	63,922,568
Loss on sale of Property plant & equipment (net)	129,627	690,262
Net (gain)/loss arising on financial liabilities measured at fair value through profit or loss	107,696,560	86,588,166
Net (gain)/loss arising on financial assets measured at fair value through profit or loss	(6,511,260)	(125,137,123)
Interest income	(3,147,082)	(1,861,286)
Interest expense	22,972,344	12,279,529
Profit/(Loss) from AOP	-	(17,500,000)
Operating profit before working capital changes	**156,732,890**	**86,584,523**
Movements in working capital :		
(Increase)/Decrease in inventories	(133,131,273)	(68,450,983)
(Increase) / Decrease in trade receivables	(144,245,676)	5,131,829
(Increase) / Decrease in loans	2,646,754	(159,609)
(Increase) / Decrease in other financial assets	(14,374,792)	(2,856,184)
(Increase) / Decrease in current tax assets (net)	3,443,061	(423,021)
(Increase) / Decrease in other current assets	(16,046,887)	(8,980,192)
Increase/(Decrease) in deferred tax liabilities (net)	-	-
Increase/(Decrease) in trade payables	(5,149,251)	155,355,960
Increase/(Decrease) in other financial liabilities	(4,061,917)	(65,937,851)
Increase/(Decrease) in other current liabilities	(1,174,848)	(807,264)
Increase/(Decrease) in provisions	2,216,265	2,731,971
Cash generated from operations	**(153,145,674)**	**102,189,179**
Direct taxes paid (net)	-	-
Net cash from operating activities (A)	**(153,145,674)**	**102,189,179**
Cash flows from investing activities		
Purchase of Property plant & equipment, including intangible assets, CWIP and capital advances/creditors	(133,621,922)	(305,923,795)
Proceeds from sale of Property plant & equipment	500,000	1,166,926
Investment in Bank deposits (having original maturity of more than three months)	(19,599,364)	(13,377,346)
Proceeds from redemption of Bank deposits (having original maturity of more than three months)	-	-
Decrease / (Increase) in loans to body corporate	(0)	0
Interest received	3,147,082	1,861,286
Profit from AOP	-	17,500,000
Net cash (used in) investing activities (B)	**(149,574,204)**	**(298,772,929)**
Cash flows from financing activities		
Proceeds from short-term borrowings	-	-
Interest paid	(22,972,344)	(12,279,529)
Proceeds from borrowings	27,614,536	130,066,079
Net cash (used in) financing activities (C)	**4,642,192**	**117,786,550**
Net increase in cash and cash equivalents (A+B+C)	(298,077,686)	(78,797,200)
Cash and cash equivalents at the beginning of the year	(304,510,547)	(225,713,347)
Cash and cash equivalents at the end of the year	**(602,588,233)**	**(304,510,547)**

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7
2) Amounts in brackets indicate a cash outflow or reduction.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

Rakesh Kumar
Partner
Membership No.083911

Place : Noida
Date : May 30, 2018

For and on behalf of the Board of directors

Amanbir Singh Sethi
Whole Time Director
(DIN-01015203)

Sanmeet Singh
Director
(DIN-01139468)

Rahul
[Company Secretary]
Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Chadha Papers Limited
CIN: - L21012UP1990PLC011878

Consolidated Statement of change in equity for the year ended 31 March 2018

A Equity share capital

	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of the reporting year	181,820,400	181,820,400	181,820,400
Balance at the end of the reporting year	181,820,400	181,820,400	181,820,400

B Other equity

Reserves & Surplus

Particulars	Retained earnings	Capital Redemption Reserve	Total
Balance as at April 1, 2016	**-382,900,539**		**-382,900,539**
Profit for the year	45,710,631	-	45,710,631
Other comprehensive income for the year (net of tax)	-51,414	-	(51,414)
Balance as at March 31, 2017	**-337,241,322**	-	**-337,241,322**
Profit for the year	-28,380,131	-	-28,380,131
Other comprehensive income for the year (net of tax)	422,462	-	422,462
Balance as at March 31, 2018	**-365,198,991**	-	**-365,198,991**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SNMG & Co.
Chartered Accountants
FRN 004921N

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Partner
Membership No.083911

For and on behalf of the Board of directors

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Membership No. A48354

Mohit Agarwal
Chief Finance Officer
(PAN-AGGPA7327L)

Place : Noida
Date : May 30, 2018

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2018

1 Corporate Information

Chadha Papers Limited "the Holding Company" is Incorporated in India and having its registered office at Chadha Estate, Nainital Road, Tehsil Bilaspur - 244921, Distt. Rampur (UP). The Company is incorporated under the provisions of the Companies Act, 1956/2013. The Company is mainly engaged in the business of manufacturing and supply of paper. These are Company's separate consolidated financial statements. The details of Company's subsidiaries, associates and joint ventures are given in Note 46.

Basis of Consolidation

The Consolidated consolidated financial statements relate to Chadha Papers Limited ("The Holding Company") and its Subsidiary have been prepared on the following basis:

i) The Consolidated consolidated financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions thereon have been fully eliminated.

ii) The excess of cost to the Company of its Investments in the Subsidiary over its Share of Equity of the Subsidiary, at the date on which the investments are made, is recognised as "Capital Reserve" being an asset in the Consolidated consolidated financial statements.

iii) The Consolidated consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented in the same manner as the Parent Company's separate consolidated financial statements.

iv) Companies considered in the consolidated consolidated financial statements:

Name of Company	Country of Incorporation	Holding as on 31st March'2018	Financial year ends on
Manorama Paper Mills Limited	India	99.92%	31.03.2018

The accounts of all the Group Companies are drawn up to the same reporting date. (i.e. financial year ended March 31, 2018).

2 Basis of preparation

(a) Basis of preparation and compliance with Ind AS

For all periods upto and including the year ended March 31, 2017, the Company had prepared its consolidated financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under section 133 of Companies Act 2013 read together with Rule 7 of Companies (Accounts) rules, 2014, to the extend applicable, and the presentation requirements of Companies Act 2013.

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards notified under Section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017 and the Company is required to prepare its consolidated financial statements in accordance with Ind AS for the year ended March 31, 2018. These consolidated financial statements for the year ended March 31, 2018 are the first consolidated financial statements the Company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First- Time Adoption of Indian Accounting Standards with the date of transition as April 01, 2016. Refer note 48 for descriptions of the effect of the transition and reconciliations required as per Ind AS 101.

These consolidated financial statements are approved for issue by Board of Directors on September 28, 2018.

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/amortised cost. (Refer note 2.1.7 below)

2.1 Summary of significant accounting policies

2.1.1 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

Operating Cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2018

2.1.2 Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Land acquired free of cost or at below market rate from the government is recognized at fair value with responding credit to deferred income.

On transition to Ind AS, the Company has elected to use the written down value of all the property, plant and equipment on the date of transition and designate the same as deemed cost as at April 01, 2016. Also Refer note 48 on First time adoption of Ind AS.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is calculated using the Written down value method (WDV) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates) or, in the case of certain leased assets, the shorter lease term as given below. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful life of assets are as follows:

Asset	Useful lives estimated by the management (years)
Factory buildings	30
Other than factory buildings	60
Plant and Machinery	15
Office equipments	5
Electrical Fittings	10
Computers and peripherals	3 - 6
Furniture and Fixtures	10
Furniture and Fixtures (Hotel)	8
Plant & Machinery (Hotel)	8
Vehicles	8

The above lives are equal to those indicated under Schedule II of the Companies Act, 2013.

Premium on leasehold land is amortised over the unexpired lease period ranging from 86 to 99 years. Cost of leasehold improvement is depreciated over their useful life or unexpired lease period, whichever is lower.

No depreciation is charged on Freehold land since they have an infinite life.

2.1.3 Capital-work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

S M G & Co. * New Delhi Chartered Accountants

2.1.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Costs relating to software, software licenses and website development, which are acquired, are capitalized and amortized on a straight-line basis over the period of four years or actual period of license, whichever is lower.

Softwares are amortised over a period of useful lives from the date of purchase/ date of completion of development and put to use (3 years to 4 years), being the estimated useful life as per the management estimate or license term whichever is less.

Losses arising from the retirement of, and gains and losses arising from the disposal of intangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

2.1.5 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of Directors and Audit Committee determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets or disposal group held for distribution to shareholders.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.1.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - Recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

(b) Debt instruments at fair value through other comprehensive income (FVOCI)

A 'debt instrument' is classified as FVOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

(c) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in profit or loss.

S.N.G & Co. New Delhi Chartered Accountants

(d) Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends,

(ii) Financial Assets - derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:
(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits
(b) Financial assets that are debt instruments and are measured as at FVOCI
(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.
ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit or loss. The balance sheet presentation for various financial instruments is described below:

(a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.
Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
(b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Initial recognition & measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.
The subsequent measurement of financial liabilities depends on their classification, as described below:

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(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(viii) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, futures and options contracts and forward commodity contracts, to hedge its foreign currency risks, market risks and commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contracts is entered into and are subsequently remeasured at fair value. Derivative are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative. The purchase contract that meet the definition of derivative under Ind AS 109 are recognized in the statement of profit or loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.1.8 Financial guarantees

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

2.1.9 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of breach.
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.1.10 Investment Property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of investment property as per Previous GAAP less accumulated depreciation and cumulative impairment as on the transition date of April 1, 2016.

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. The Company has determined useful life of the investment property to be 60 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognision of property is recognised in the Statement of Profit and Loss in the same period.

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2018

2.1.11 Inventories

Raw materials, Components and Stores and Spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories 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. Cost is determined on moving weighted average price method.

Work in progress and Finished Goods are valued at lower of cost and net realizable value. Cost includes direct materials (determined on moving weighted average price method) and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

2.1.12 Revenue Recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods & Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenues from sales of goods are recognised when all significant risks and rewards of ownership of the goods sold are transferred to the buyer. Revenue from operations (Gross) includes excise duty collected by the company from the customers. The excise duty collected does not represent the economic benefits flowing to the company thus presented as an expense in the statement of profit or loss.

Interest

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Excise duty refund entitlement

The refund is accounted for as and when due, to the extent of excess of excise duty paid over in cash and above the cenvat credits taken on inputs, as per the terms of exemption in the relevant business unit.

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2.1.13 Foreign Currency Transactions

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in profit or loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous consolidated financial statements are recognized as incomes or expense in the year in which they arise.

2.1.14 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

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• When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
• When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.1.15 Retirements and other employee benefits

Defined Benefit Plans

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

• Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
• Net interest expense or income

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit or loss and are not deferred.

Past service costs are recognised in profit or loss on the earlier of:

• The date of the plan amendment or curtailment, and
• The date that the Company recognises related restructuring costs

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2.1.16 Leases

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.1.17 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.1.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.1.19 Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised but disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2018

2.1.20 Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all the conditions attached to such grants will be compiled with.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

There is no government grant during the year.

2.1.21 Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. An associate is an entity over which the Company is in a position to exercise significant influence over operating and financial policies.

Joint Arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

2.1.22 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is mainly engaged in the business of providingmainly engaged in the business of manufacturing and supply of paper which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 "Segment Reporting" are not applicable.

2.1.23 Critical accounting judgements and estimation uncertainty

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following accounting policies and/or notes:

Significant Estimates

(i) Useful economic lives and impairment of other assets

Property, plant and equipment as disclosed in note 3A are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration.

(ii) Deferred tax Assets/Liabilities

The Company has estimated certain business projections based on which it has recognised deferred tax assets/liabilities in these consolidated financial statements. Refer note 9.

2.1.24 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2018

2.1.25 Standards issued but not yet effective

Recent Indian Accounting Standards (Ind AS)
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers
Ind AS 21 The effect of changes in Foreign Exchange rates
Ind AS 115 – Revenue from Contracts with Customers
Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer
- Step 2 : Identify the performance obligation in contract
- Step 3 : Determine the transaction price
- Step 4 : Allocate the transaction price to the performance obligations in the contract
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.
Ind AS 21 – The effect of changes in Foreign Exchange rates
The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. APTOnline Limited is evaluating the impact of this amendment on its consolidated financial statements.

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Chadha Papers Limited (Consolidated)
CIN: - L21012UP1990PLC011878

Notes forming part of the financial statements as at and for the year ended 31 March 2018

Note No 3 - Property, Plant and Equipment (Amount in Rs.)

Particulars	Land & Building	Plant and equipment	Office equipment	Furniture and Fixtures	Computers and peripherals	Total
Gross Block						
As at 1 April 2016	136,601,459	1,263,844,634	5,082,490	3,994,753	4,744,960	1,444,529,426
Additions	3,163,597	296,660,349	2,179,478	701,518	484,485	304,377,604
Disposals	-	2,852,913	-	-	-	2,852,913
As at 31 March 2017	139,765,056	1,557,652,069	7,261,968	4,696,271	5,229,445	1,746,054,116
Additions	12,193,015	107,120,418	1,272,745	1,299,507	632,459	122,518,144
Disposals	-	1,574,810	-	-	-	1,574,810
As at 31 March 2018	151,958,071	1,663,197,677	8,534,713	5,995,778	5,861,904	1,866,997,450
Accumulated Depreciation						
As at 1 April 2016	59,317,915	637,445,290	3,252,368	1,862,934	3,255,876	731,791,827
Charge for the year	4,553,345	57,902,451	340,369	264,888	620,565	63,914,102
Disposals	-	995,725	-	-	-	995,725
As at 31 March 2017	63,871,260	694,352,016	3,592,737	2,127,822	3,876,441	794,710,204
Charge for the year	4,772,073	68,189,786	578,154	345,501	688,313	75,125,900
Disposals	-	945,183	-	-	-	945,183
As at 31 March 2018	**68,643,333**	**761,596,619**	**4,170,891**	**2,473,323**	**4,564,754**	**868,890,921**
Net Block						
As at 31 March 2018	**83,314,738**	**901,601,058**	**4,363,823**	**3,522,455**	**1,297,150**	**998,106,529**
As at 31 March 2017	**75,893,796**	**863,300,054**	**3,669,231**	**2,568,449**	**1,353,004**	**951,343,912**
As at 31 March 2016	**77,283,544**	**626,399,344**	**1,830,122**	**2,131,819**	**1,489,084**	**712,737,599**

Note No 4 - Intangible Assets (Amount in Rs.)

Particulars	Software, Server & Networks	Lease Hold Rights	Total
Gross Block			
As at 1 April 2016	-	67,800	67,800
Additions	1,546,190	-	1,546,190
Disposals	-	-	-
As at 31 March 2017	**1,546,190**	**67,800**	**1,613,990**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2018	**1,546,190**	**67,800**	**1,613,990**
Accumulated Amortisation			
As at 1 April 2016	-	24,138	24,138
Charge for the year	7,110	1,356	8,466
Disposals	-	-	-
As at 31 March 2017	7,110	25,494	32,604
Charge for the year	293,776	1,356	295,132
Disposals	-	-	-
As at 31 March 2018	**300,886**	**26,850**	**327,736**
Net Block			
As at 31 March 2018	**1,245,304**	**40,950**	**1,286,254**
As at 31 March 2017	**1,539,080**	**42,306**	**1,581,386**
As at 31 March 2016	-	**43,662**	**43,662**

Note:

1) The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 (Amount in Rs.)

5 **Non-current financial assets- Investment in subsidiaries and joint ventures**
(at cost unless otherwise stated)

	March 31, 2018	March 31, 2017	April 1, 2016
Trade investments - Unquoted (At cost)			
Subsidiary Company	-	-	-
Manorama Paper Mills Ltd.	6,516,336	6,516,336	6,516,336
Associate Company	-	-	-
Great Value Fuels Pvt. Ltd.*	-	-	44,226,000
Others			
Great Value Fuels Pvt. Ltd.**	-	44,226,000	-
A.B Grain & spirits Pvt. Ltd.***	16,743,250	16,743,250	16,743,250
Total	23,259,586	67,485,586	67,485,586

Note: *It was an associate company till 01 April 2016 but there was dilution in Company's holding due to the increase in the Paid Up Share Capital of the Investee during 2016-17.

**The Company is in negotiation to sale its shareholding in the Investee Company and has received advance from the interested buyer, and, therefore, it has been classified as Current Investment (Refer note no.10)

*** Due to Insufficient Information such Investments shown at cost.

6 **Non-current financial assets- Investments**

	March 31, 2018	March 31, 2017	April 1, 2016
Investment in Equity instruments (Quoted)	-	-	-
OBC Bank	42,000	42,000	42,000
Aggregate amount of quoted investments (Market value of Rs. 64,120 (Previous Year Rs. 98,595)	-	-	-
Total	42,000	42,000	42,000

7 **Non-current financial assets- Loans**

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Loans to employees	-	-	-
Loan to other body corporate*	74,207,794	67,769,675	61,890,114
Total	74,207,794	67,769,675	61,890,114

*Note: These financial assets (Loan to other body corporate) are carried at amortised cost.

8 **Non-current financial assets- Others**

	March 31, 2018	March 31, 2017	April 1, 2016
	-	-	-
Security Deposits	2,553,985	2,553,985	2,760,501
Advance to Suppliers & Contractors	7,750,415	7,750,415	7,750,415
Total	10,304,400	10,304,400	10,510,916

9 **Inventories**

	March 31, 2018	March 31, 2017	April 1, 2016
Raw Materials and components (Valued at cost)*	248,290,736	71,109,127	83,132,417
Stock-in-transit (Valued at cost)*	17,985,768	38,390,961	1,006,529
Work-in-progress (Valued at cost)*	26,090,000	42,125,000	37,125,000
Finished goods (Valued at cost or market price, which ever is lower)**	25,251,548	12,920,491	26,965,346
Goods on Consignment (Valued at cost)*	-	882,706	-
Stores and spares (Valued at Valued at cost or Market price, which ever	104,657,108	104,151,619	104,300,000
Others :	-	-	-
Packing Material	5,887,166	5,211,981	1,436,459
Coal	36,856,217	57,095,385	9,470,536
	465,018,543	331,887,270	263,436,287
Less: Provision for slow moving inventories	-	-	-
Total	465,018,543	331,887,270	263,436,287

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 **(Amount in Rs.)**

10 Current financial assets - Investments

	March 31, 2018	March 31, 2017	April 1, 2016
Investments carried at fair value through other comprehensive income			
Investment in Equity instruments - quoted	44,226,000	-	-
Note: *It was an associate company till 01 April 2016 but there was dilution in Company's holding due to the increase in the Paid Up Share Capital of the Investee during 2016-17.			
**The Company is in negotiation to sale its shareholding in the Investee Company and has received advance from the interested buyer, and, therefore, it has been classified as Current Investment (Refer note no.5)			
Total	44,226,000	-	-
Aggregate amount of unquoted investments	**44,226,000**	-	-

11 Trade receivables
(at amortised cost)

	March 31, 2018	March 31, 2017	April 1, 2016
Others	380,191,144	231,290,569	264,984,106
Outstanding for a period exceeding six months from the due date	57,394,170	62,049,069	33,487,361
	437,585,314	**293,339,638**	**298,471,467**
Less: Provision for doubtful receivables	-	-	-
Total	437,585,314	293,339,638	298,471,467

a) Trade receivables are non interest bearing and are generally on credit terms of 30 to 90 days.
b) Trade receivables includes Rs. 31,991,364 (31 March 2017: Rs. 18,370,459, 01 April 2016: Rs. 28,993,973) receivable from related parties. For terms and conditions relating to related party receivable refer note 43).

12 Current financial assets - Cash and cash equivalents

	March 31, 2018	March 31, 2017	April 1, 2016
Cash on hand	1,119,345	193,893	933,772
Balances with banks in current accounts	8,850,396	9,136,654	2,643,500
Total	9,969,741	9,330,548	3,577,272

For the purpose of Statement of cash flows, Cash and cash equivalents comprise the following:

	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalents as per above	9,969,741	9,330,548	3,577,272
Bank Overdraft (note 22)	(612,557,973)	(313,841,095)	(229,290,620)
Total	-602,588,233	-304,510,547	(225,713,347)

13 Current financials assets -Other bank balances

	March 31, 2018	March 31, 2017	April 1, 2016
Deposits with Original Maturity of More Than 12 Months	54,484,868	34,885,504	21,508,159
Less: Amount disclosed under non-current financial assets	-	-	-
Total	54,484,868	34,885,504	21,508,159

Margin money deposit includes:
1) Rs. 3,62,00,000 (31 March 2017: Rs. 3,03,41,500 01 April 2016: Rs. 1,96,41,500) pledged with banks against overdraft, bank guarantees and letter of credit facility.
2) Rs. 4,00,000 (31 March 2017: Rs. 4,00,000 01 April 2016: Rs. 4,00,000) pledged with government bodies.
3) Rs. 26,50,000 (31 March 2017: Rs. Nil 01 April 2016: Rs. Nil) deposit for tenders.

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Chadha Papers Limited (Consolidated)
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 (Amount in Rs.)

14 Current financials assets - Loans

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Loan to related parties (refer note 46)	1,853,879	1,780,738	1,713,942
Loan to other body corporate	70,964,672	73,318,262	73,318,262
Loan to employees	1,297,245	1,663,550	1,570,736
Total	**74,115,796**	76,762,550	76,602,940

15 Current financials assets - Others

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Security Deposits	21,024,519	6,637,320	3,572,820
Others	8,192,759	8,205,166	8,206,966
Total	**29,217,278**	14,842,486	11,779,786

16 Current tax assets and Liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
Current Tax assets		-	-
TDS Receivable (till 31.03.2018)	6,625,226	10,068,287	9,645,266
		-	-
Current Tax Liabilities	-	-	
Income Tax payable	-	-	
		-	-
Total	**6,625,226**	**10,068,287**	**9,645,266**

17 Other current assets

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Advances recoverable			
Advance to suppliers	101,305,519	58,492,779	71,539,468
Advance to employees	-	-	-
Others			
Prepaid expenses	2,851,270	1,195,933	496,883
Balance with statutory /government authorities	28,404,556	57,784,637	36,456,806
Margin Receivable	958,890	-	-
Others	34,211	34,211	34,211
	133,554,446	117,507,560	108,527,368
Less: Provision for doubtful advances	-	-	-
Total	**133,554,446**	**117,507,560**	**108,527,368**

18 Equity Share capital

	March 31, 2018	March 31, 2017	April 1, 2016
Authorised shares			
1,05,00,000 (31st March 2017 - 1,05,00,000) Equity Shares of Rs.10 each	105,000,000	105,000,000	105,000,000
Issued, Subscribed and Fully Paid-up shares			
1,02,04,040 Equity Shares of Rs 10 each, fully paid in Cash (as at March 31, 2017: 1,02,04,040; as at April 1, 2016: 102,04,040)	102,040,400	102,040,400	102,040,400
	102,040,400	**102,040,400**	**102,040,400**

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs. 10 each fully paid up

	March 31, 2018	March 31, 2017	April 1, 2016
Shares outstanding at the commencement of the year	10,204,040	10,204,040	10,204,040
Shares Issued During the year			
Shares outstanding at the close of the year	**10,204,040**	**10,204,040**	**10,204,040**

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b) Terms / rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares of Rs. 10 each fully paid up

Equity Shares			
Smt. Prakash Kaur	1,959,954	1,959,954	1,959,954
Sh Gurdeep Singh Chadha *	-	-	-
Smt. Jatinder Kaur Chadha	1,388,590	1,388,590	1,388,590
Sh. Rajinder Singh Chadha	1,311,300	1,311,300	1,311,300
M/s Capco Holdings Pvt. Ltd.	2,689,376	2,689,376	2,689,376

19 Other equity (Refer statement of change in equity)

a) Capital Redemption Reserve: There is no Capital Redemption reserve.

b) Retained Earnings: This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

20 Non-current financial liabilities - Borrowings

	March 31, 2018	March 31, 2017	April 1, 2016
(i) Loans From Related Parties			
Redeemable Preference Share Capital	668,124,689	610,159,534	393,433,532
From Body Corporates			
Chadha Holdings Pvt. Ltd.	8,058,389	-	206,981,000
*(Interest payable @ 8%)			
Rado Enterprises Pvt. Ltd.	23,352,307	21,326,308	19,476,080
From Directors, Ex- Directors and Relatives			
Rajender Singh Chadha (Old)	4,917,886	4,491,221	4,101,571
Smt. Dinita Chadha	995,278	908,929	830,072
Smt. Jitender Kaur (Old)	5,259,466	4,803,165	4,386,452
Smt. Prakash Kaur	539,609	492,794	450,040
ATPAC INDUSTRIES (UNSECURED LOAN)	275,223,619	251,345,771	173,893,573
(ii) Loans From Others			
From Body Corporates	-	-	-
A.B. Grain Sprits Pvt. Ltd.	37,420	34,173	31,208
JkC PORTFOLIO PVT.LTD	74,207,794	67,769,675	61,890,114
Harjas Enterprises Pvt.Ltd	59,214,779	54,077,423	49,385,775
Shiv Shakti Trader	39,935,041	36,470,357	49,287,997
(iii) Term Loan form Banks			
Term Loan A/c No. 37348656293	19,483,790	-	-
*Secured by a mortgage over the entire fixed assets including proposed fixed assets. The term loan has been sanctioned for 54 months including moratorium period of 06 months will be repayable in by the company in 48 monthly installments of Rs. 28,12,500/- each, commencing from 30.04.2018. Interest will be charged as and when due.			
Others	834,011	761,654	695,574
Total	**1,180,184,078**	**1,052,641,003**	**964,842,990**

21 Non-current financial liabilities - Trade Payables

	March 31, 2018	March 31, 2017	April 1, 2016
M/s Kailash Coal & Coke Co. Ltd.	34,562,129	71,636,176	92,488,339
M/s C.R.G. Trading & Finvest Pvt. Ltd.	5,295,970	10,132,472	9,253,399
Total	**39,858,098**	**81,768,648**	**101,741,738**

Notes forming part of the financial statements as at and for the year ended 31 March 2018 (Amount in Rs.)

22 Non-current financial liabilities - Others

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Gratuity	5,152,457	3,684,890	1,842,012
Provision for Leave Encashment	2,718,426	1,801,260	994,606
Less: Transfered to short term provisions	268,883	-	-
Total	7,602,000	5,486,150	2,836,618

23 Deferred Tax Assets/Liabilities (Net)

	March 31, 2018	March 31, 2017	April 1, 2016
Deferred Tax Liabilities			
Related to Fixed Assets	122,559,597	114,068,363	108,454,379
Remeasurement Gain/(Loss) on Employee Benefit	196,373	(27,211)	-
Fair Valuation of Unsecured Loans and Business Advances	104,402,480	138,182,180	125,210,266
	227,158,450	252,223,333	233,664,645
Deferred Tax Assets			
Unabsorbed Depreciation & Carried Forward Loss	132,010,212	145,466,160	149,259,006
Disallowance u/s 43B of Income Tax Act, 1961	2,158,601	2,321,945	2,428,970
Gratuity	1,720,096	1,221,885	639,721
	135,888,910	149,009,991	152,327,697
Deferred Tax Liabilities (Net)	(91,269,540)	(103,213,342)	(81,336,948)

24 Current financial liabilities - Borrowings

	March 31, 2018	March 31, 2017	April 1, 2016
Secured (at amortised cost)			
Term Loan A/c No.-07171200011604	6,494,597	-	-
Letter of Credit	-	89,305,412	76,558,946
Buyer's Credit	286,452,272	48,247,369	23,119,674
Cash Credit *	307,925,013	164,748,504	118,205,781
Unsecured			
Others	11,686,092	11,539,810	11,406,219
Total	612,557,973	313,841,095	229,290,620

*(Cash Credit-Rs. 30 Cr. and Letter of Credit and Buyer's Credit-aggregate Rs. 40 Cr. from SBI are secured by 1- stocks of raw materials, stock in process, stores & spares and finished goods at its works, godowns etc., (present & future) and including stock in transit and cash/credit balance in their accounts. 2- All present and future book debts/receivables as also clean or documentary bills, domestic or export, whether accepted or otherwise, export documents accompanied by Bill of Lading/AWB, Bill of Exchange, G.R. etc. & other documents called for in the contract and the Cheques/drafts/instruments etc drawn in its favour.

25 Current financial liabilities - Trade payables

	March 31, 2018	March 31, 2017	April 1, 2016
• Total outstanding dues of micro enterprises and small enterprises	-	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	517,182,854	472,653,533	287,659,018
	-	-	-
Total	517,182,854	472,653,533	287,659,018

Trade payables are non-interest bearing and are normally settled upto 180 days terms.

26 Current financial liabilities - Others

	March 31, 2018	March 31, 2017	April 1, 2016
Trade/ Security deposits received	785,704	785,004	785,004
Advances from customers	33,171,549	26,579,589	52,203,974
Other Expenses Payable- Other Advances*	66,818,389	77,472,967	80,799,268
Cheques issued but not presented in Bank	-	-	36,987,165
Total	100,775,643	104,837,560	170,775,411

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 (Amount in Rs.)

27 Other current liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
Statutory dues	6,556,611	7,731,460	8,538,724
Total	**6,556,611**	**7,731,460**	**8,538,724**

28 Provisions - Current

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits	-	-	-
Gratuity	251,685	229,103	225,381
Leave encashment	247,663	169,830	91,113
Total	**499,348**	**398,933**	**316,494**

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 **(Amount in Rs.)**

29 Revenue from operations

	March 31, 2018	March 31, 2017
Revenue from Operations		
Sale of products		
Finished goods (including excise duty)	4,175,679,142	2,649,615,114
	4,175,679,142	2,649,615,114
Sale of Traded Goods		
Traded Goods	60,927,444	140,339,604
	60,927,444	140,339,604
Other operating revenue		
Sale of Other Items	2,165,693	754,170
	2,165,693	754,170
Revenue from Operations (gross)	**4,238,772,279**	**2,790,708,888**

Note: Revenue from operations includes excise duty on sale amounting to Rs. 39,623,404 (March 31, 2017: Rs. 68,477,667)

30 Other income

	March 31, 2018	March 31, 2017
Interest income from financial assets measured at amortised cost		
Bank deposits	3,003,082	1,724,654
Interest on Security Deposit with Eudd	144,000	136,632
Notional Interest (Ind AS Adjustment)	6,511,260	125,137,123
Other non operating income		
Profit from AOP	-	17,500,000
Miscllaneous Income	2,507,098	1,320,886
Old Balance w/off*	-	10,369
Gain on Foreign Exchange Fluctuation	-	411,888
Total	**12,165,440**	**146,241,552**

31 Cost of raw material and components consumed

	March 31, 2018	March 31, 2017
Inventories at commencement of the year	109,500,089	84,138,946
Add: Purchases	3,143,048,767	1,909,729,603
Less: Inventories at the close of the year	266,276,504	109,500,089
Cost of raw material and components consumed	**2,986,272,352**	**1,884,368,460**

32 Changes in inventories of finished goods and work-in-progress

	March 31, 2018	March 31, 2017	(Increase) / decrease
Inventories at the close of the year			
Finished goods*	25,251,548	12,920,491	(12,331,057)
Stock-in-process	26,090,000	42,125,000	16,035,000
Excise duty on Closing Stock	-	(557,387)	(557,387)
	51,341,548	**54,488,104**	**3,146,556**
Inventories at commencement of the year			
Finished goods*	12,920,491	26,965,346	14,044,855
Stock-in-process	42,125,000	37,125,000	(5,000,000)
Excise duty on Opening Stock	(557,387)	(382,370)	175,017
Total	**54,488,104**	**63,707,976**	**9,219,872**
	3,146,556	**9,219,872**	

*Inventories includes goods-in-transit.

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Notes forming part of the financial statements as at and for the year ended 31 March 2018 (Amount in Rs.)

33 Employee benefits expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	136,359,422	109,806,214
Contribution to provident and other funds	5,646,861	3,601,470
Gratuity expenses	2,102,874	1,768,525
Compensated absences	747,336	916,140
Workmen and staff welfare expenses	2,893,757	3,347,649
Total	147,750,250	119,439,998

34 Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spare parts	89,834,425	62,085,086
Consumption of packing materials	50,499,821	13,241,820
Manufacturing Exp.	56,205,547	47,735,026
Power and fuel	543,276,825	355,607,541
Water Cess	-	1,348,005
Rent including lease rentals	213,000	13,000
Repairs and maintenance - Buildings	2,587,153	3,464,391
Repairs and maintenance - Machinery	8,874,519	11,969,715
Repairs and maintenance - Others	1,602,037	1,980,800
Security Charges	4,792,326	5,118,554
Insurance	1,672,640	589,445
Rates and taxes	1,171,593	1,087,593
RoC Fees for Increase in Authorised Share Capital	-	1,875,000
Communication	1,166,086	1,224,498
Travelling and conveyance	7,916,967	6,725,885
Printing and stationery	515,506	502,690
Freight and forwarding	42,344,393	11,548,593
Pre operative exp. w/off	-	-
MAT credit entitlement W/off	-	3,825,243
Old Balance w/off	-	3,500,636
DGFT Demand	-	-
Bank Guarantee Revocation	-	-
Legal and professional	4,376,124	6,963,033
Payments to auditor	-	-
As Statutory audit fee	212,100	242,100
As Limited Review Fee	100,000	115,000
As Cost Audit Fee	-	69,000
As Limited Review Fee	100,000	115,000
As Internal Audit Fee	549,250	-
Commission on Sales	52,113,876	55,986,667
Rebate & Discount	-	-
Prior period items (net)	555,431	1,917,139
Exchange Fluctuation	4,568,027	-
Miscellaneous expenses	7,182,276	7,999,297
Bank Charges	524,697	245,720
Loss on sale of Fixed Assets	129,627	690,262
Loss on sale of Investments	-	-
	883,084,245	607,786,739

35 Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets	75,125,900	63,914,102
Depreciation of investment property	-	-
Total	75,421,032	63,922,568

36 Finance costs

	March 31, 2018	March 31, 2017
Notional Interest (IND AS Adjustments)	107,696,560	86,588,166
Interest on CC A/c	21,120,109	12,279,529
Interest on LC A/c	1,787,358	-
Interest on Term Loan	64,877	-
	-	-
Mark to market	-	-
L.C. CHARGES	11,644,523	11,324,596
L.C. OPENING CHARGES	154,220	-
BUYER'S CREDIT CHARGES	9,412,910	2,171,903
LOAN PROCESSING CHARGES	3,977,281	3,256,976
Other Interest Expense	92,522	299,966
Bank Charges	163,896	132,967
Total	156,114,256	116,054,103

37 Earnings per equity share

	March 31, 2018	March 31, 2017
Net profit after tax as per statement of profit and loss	(27,884,528)	45,726,014
Amount available for equity shareholders	(27,884,528)	45,726,014
Weighted average number of equity shares in calculating basic / diluted EPS	10,204,040	10,204,040
Earnings per Share, basic and diluted (Rs.)	(2.76)	4.50

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38 Employee benefit plans

Defined contribution plans

Central provident fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2018 and 2017) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The Company contributed a total of Rs. 4,142,855 for the year ended March 31, 2018 and Rs. 3,601,470 for the year ended March 31, 2017 to defined contribution plans.

Defined benefit plans

Gratuity Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The Gratuity plan is a funded plan and the Company makes contribution to Life Insurance Corporation 'LIC' fund in India. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet in accordance with Ind AS-19 'Employee benefits' for the year ended March 31, 2018:

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	7.71%	7.54%	8.00%
Future salary increase	7.00%	7.00%	7.00%
Retirement Age (Years)	60	60	60
Mortality rate inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and relevant factors, such as supply and demand in the employment market.

Amount recongnised in balance sheet consists of:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Fair value of plan assests	-	-	-
Present value of defined benefit obligations	5,152,457	3,695,628	1,848,478
Net (liability) / asset arising from defined benefit obligation	**5,152,457**	3,695,628	1,848,478

Amount recognised in statement of Profit or Loss in respect of defined benefit plan are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Current service cost	**1,824,224**	**1,620,647**	1,084,724
Net interest cost / (income)	**278,650**	**147,878**	64,082
Components of defined benefit costs recognised in statement of profit or loss	**2,102,874**	**1,768,525**	1,148,806

Amount recognised in other comprehensive income in respect of defined benefit plan are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Actuarial gain / (loss) on arising from change in financial assumption	(110,274)	224,033	219,058
Actuarial gain / (loss) on arising from experience adjustment	**(535,771)**	**(145,408)**	(320,416)
Actuarial gain /(loss) for the year on plan asset	-	-	-
Component of defined benefit cost recognized in other comprehensive income	(646,045)	**78,625**	(101,358)

Movement in present value of defined benefit obligation:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Present value of obligation as at the beginning of the period	3,695,628	1,848,478	801,030
Interest Cost	278,650	147,878	64,082
Service Cost	1,824,224	1,620,647	1,084,724
Benefits Paid	-	-	-
Acquisition adjustment	-	-	-
Total Actuarial (Gain)/Loss on Obligation	(646,045)	78,625	(101,358)
Present value of obligation as at the end of the period	**5,152,457**	**3,695,628**	**1,848,478**

Movement in the fair value of plan assets is as follow:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Fair value of plan assets at the beginning of the period	-	-	-
Interest income	-	-	-
Actuarial gain /(loss) for the year on plan asset	-	-	-
Employer contribution	-	-	-
Benefits paid	-	-	-
Fair value of plan assets at the end of the period	-	-	-

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Percentage allocation of plan assets by category	LIC		
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Government Securities	0.00%	0.00%	0.00%
Non-Convertible Debenture/Bonds	0.00%	0.00%	0.00%
Equity Instruments	0.00%	0.00%	0.00%
Fixed Deposits	0.00%	0.00%	0.00%

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Increase / (Decrease) in defined benefit obligation	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended April 1, 2016**
Discount rate			
Increase by 0.50%	**(328,963)**	**(258,564)**	
Decrease by 0.50%	**365,840**	**288,612**	
Expected rate of increase in compensation level of covered employees			
Increase by 0.50%	**366,615**	**288,729**	
Decrease by 0.50%	**(332,511)**	**(260,956)**	

The above sensitivity analysis may be not representative of actual benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using projected unit credit method at the end of reporting period which is the same as that applied in calculating the defined benefit liability recognized in Balance sheet.

Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability. Longevity risk/ Life expectancy The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC).Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

39 **Capital management**

The Company manages its capital in order to maximising the return to stakeholders through efficient allocation of capital toward expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts except overdraft limits obtained to augment its working capital and meets its requirement through equity. The Cash surpluses are currently invested in income generating debts instruments (including through mutual funds), equity instruments depending on economic condition in line with the guidelines set out the management.

The Company is not subject to any externally imposed capital requirements.

The management of the company reviews the capital structure of the company on regular basis. As part of this review, the board considers the cost of capital and risk associates with movement in the working capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, overdraft facilities, trade payables and other liabilities, less cash and cash equivalent and other bank balances.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Loans and borrowings	1,792,742,051	1,366,482,098	1,194,133,610
Less: Cash and cash equivalents	(9,969,741)	(9,330,548)	(3,577,272)
Less : Other bank balances	(54,484,868)	(34,885,504)	(21,508,159)
Net debt	**1,728,287,442**	**1,322,266,047**	**1,169,048,179**
Total Capital	(183,378,591)	(155,420,922)	(201,080,139)
Capital and net debt	**1,544,908,851**	**1,166,845,125**	**967,968,040**
Gearing ratio(%)	**111.87%**	**113.32%**	**120.77%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018.

40 Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for amount to Rs. 39,226,321 (31 March 2017: Nil, 01 April 2016: Nil).

41 Segment Information

As the Company has a single reportable segment, the segment wise disclosure requirement of Ind AS 108 on operating segment is not applicable to it.

Notes forming part of the financial statements as at and for the year ended 31 March 2018

42 **Financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

(A) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2018

Financial Assets	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	23,301,586	-	-	23,301,586	23,301,586
Non Current Loans	-	-	74,207,794	74,207,794	74,207,794
Other financial assets	10,304,401			10,304,401	10,304,401
Current Investments	44,226,000			44,226,000	44,226,000
Trade receivables	437,585,314	-		437,585,314	437,585,314
Cash and cash equivalents	9,969,741	-		9,969,741	9,969,741
Other bank balances	54,484,868	-		54,484,868	54,484,868
Loans	74,115,796	-		74,115,796	74,115,796
Other financial assets	29,217,278	-		29,217,278	29,217,278
Total	**683,204,984**	**-**	**74,207,794**	**757,412,778**	**757,412,778**

Financial Liabilities	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	1,180,184,078	1,180,184,078	1,180,184,078
Trade Payables	-	-	39,858,098	39,858,098	39,858,098
Provisions	-	-	7,602,000	7,602,000	7,602,000
Current Borrowings	612,557,973	-	-	612,557,973	612,557,973
Trade payables	517,182,854	-	-	517,182,854	517,182,854
Other financial liabilities	100,775,643	-	-	100,775,643	100,775,643
Total	**1,230,516,470.2**	**-**	**1,227,644,176**	**2,458,160,646**	**2,458,160,646**

As at March 31, 2017

Financial Assets	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	67,527,586	-	-	67,527,586	67,527,586
Non Current Loans			67,769,675	67,769,675	67,769,675
Other financial assets	10,304,401		-	10,304,401	10,304,401
Current Investments	-		-	-	-
Trade receivables	293,339,638	-	-	293,339,638	293,339,638
Cash and cash equivalents	9,330,548	-	-	9,330,548	9,330,548
Other bank balances	34,885,504	-	-	34,885,504	34,885,504
Loans	76,762,550	-	-	76,762,550	76,762,550
Other financial assets	14,842,486	-	-	14,842,486	14,842,486
Total	**506,992,712**	**-**	**67,769,675**	**574,762,387**	**574,762,387**

Financial Liabilities	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	1,052,641,004	1,052,641,004	1,052,641,004
Trade Payables	-	-	81,768,648	81,768,648	81,768,648
Provisions	-	-	5,486,150	5,486,150	5,486,150
Current Borrowings	313,841,095	-	-	313,841,095	313,841,095
Trade payables	472,653,533	-	-	472,653,533	472,653,533
Other financial liabilities	104,837,560	-	-	104,837,560	104,837,560
Total	**891,332,187.54**	**-**	**1,139,895,802**	**2,031,227,989**	**2,031,227,989**

As at April 1, 2016

Financial Assets	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non current Investments	67,527,586	-	-	67,527,586	67,527,586
Non Current Loans			61,890,114	61,890,114	61,890,114
Other financial assets	10,510,916		-	10,510,916	10,510,916
Current Investments	-		-	-	-
Trade receivables	298,471,467	-	-	298,471,467	298,471,467
Cash and cash equivalents	3,577,272	-	-	3,577,272	3,577,272
Other bank balances	21,508,159	-	-	21,508,159	21,508,159
Loans	76,602,940	-	-	76,602,940	76,602,940
Other financial assets	11,779,786	-	-	11,779,786	11,779,786
Total	**489,978,126**	**-**	**61,890,114**	**551,868,240**	**551,868,240**

Financial Liabilities	At Cost	Fair value through profit or loss	At Amortised Cost	Total carrying value	Total fair value
Non Current Borrowings	-	-	964,842,990	964,842,990	964,842,990
Trade Payables	-	-	101,741,738	101,741,738	101,741,738
Provisions	-	-	2,836,618	2,836,618	2,836,618
Current Borrowings	229,290,620	-	-	229,290,620	229,290,620
Trade payables	287,659,018	-	-	287,659,018	287,659,018
Other financial liabilities	170,775,411	-	-	170,775,411	170,775,411
Total	**687,725,048.02**	**-**	**1,069,421,346**	**1,757,146,394**	**1,757,146,394**

Note:-Investments in equity of subsidaries,associates and joint ventures which are carried at cost are not covered under Ind AS 107 and hence not been included above.

B. Risk management framework

The Company's businesses are subject to several risks and uncertainties including financial risks.

Th Company's board of directors has the responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of the daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified with active involvement of senior management personnel at all levels. Each operating division has in place risk management processes which are in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Joint Managing Director. Daily treasury operations of the Company are managed by the treasury team within the framework of the Company's treasury policies. Long-term fund raising including strategic treasury initiatives are handled by a dedicated team. A monthly reporting system exists to inform senior management of investments, debt, currency, and commodity derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are supplemented by regular internal audits.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include , deposits and FVTOCI investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

(a) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on profit or loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company uses forward exchange contracts and other derivatives to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies. Most of these transactions are denominated in US dollar. The following analysis is based on the gross exposure as at the reporting date.

Un-hedged Foreign currency exposure:

Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Financial asset	Financial liability	Financial asset	Financial liability	Financial asset	Financial liability
INR	-	**286,452,272**	-	48,247,370	-	-
USD	-	**4,403,970**	-	744,393	-	-
GBP	-	-	-	-	-	-
EURO	-	-	-	-	-	-
SAR	-		-	-	-	-
AED	-	-	-	-	-	-

The Company's exposure to foreign currency arises where the Company holds monetary assets and liabilities denominated in a currency different from the functional currency of the business, with US dollar for being the major non functional currency for manufacturing business. The changes in the foreign currency exchange rate and other market changes are not expected to have any significant impact on these financial statements.

(b) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments. The Company invests cash and current financial asset investments in short-term deposits, equity instruments and debt mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

(c) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date. The figures reflect the contractual undiscounted cash obligation of the Company.

As at March 31, 2018

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	1,180,184,078	1,180,184,078
Trade payables	-	39,858,098	39,858,098
Provision	-	7,602,000	7,602,000
Current			
Borrowings*	612,557,973	-	612,557,973
Trade payables	517,182,854	-	517,182,854
Other Financial Liabilitoes	33,957,253	66,818,389	100,775,643
Total	**1,163,698,081**	**1,294,462,566**	**2,458,160,646**

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As at March 31, 2017

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	1,052,641,004	1,052,641,004
Trade payables	-	81,768,648	81,768,648
Provision	-	5,486,150	5,486,150
Current			-
Borrowings*	313,841,095	-	313,841,095
Trade payables	472,653,533	-	472,653,533
Other Financial Liabilitoes	27,364,593	77,472,967	104,837,560
Total	**813,859,221**	**1,217,368,769**	**2,031,227,989**

As at April 1, 2016

Payments due by year	<1 year	1-3 years	Total
Non-current			
Borrowings	-	964,842,990	964,842,990
Trade payables	-	101,741,738	101,741,738
Provision	-	2,836,618	2,836,618
Current			
Borrowings*	229,290,620	-	229,290,620
Trade payables	287,659,018	-	287,659,018
Other Financial Liabilitoes	89,976,143	80,799,268	170,775,411
Total	**606,925,780**	**1,150,220,614**	**1,757,146,394**

* Borrowings consists of bank overdraft facility.

The Company has access to the following funding facilities

As as March 31, 2018

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	435,000,000	307,925,013	127,074,987
Total	**435,000,000**	**307,925,013**	**127,074,987**

As as March 31, 2017

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	335,000,000	164,748,504	170,251,496
Total	**335,000,000**	**164,748,504**	**170,251,496**

As as April 1, 2016

Funding facility	Total Facility	Drawn	Undrawn
Less than 1 year	135,000,000	118,205,781	16,794,219
Total	**135,000,000**	**118,205,781**	**16,794,219**

(d) Counterparty and concentration of credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities like trade receivables, inter corporate advances, deposits with banks and other financial instruments etc.

43 **Expenditure in Foreign Exchange**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Purchase of Goods (Expenditure)	360,428,814	194,270,458	-
Total	**360,428,814**	194,270,458	-

44 **Earnings in Foreign Exchange**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earnings	-	-	-
Total	-	-	-

45 **Related Party Disclosure**

Names of related parties and related party relationship

Related Parties where control exists

Subsidiary Companies

Manorama Paper Mills Limited

Related Parties under Ind AS 24 with whom transactions have taken place during the year

Key Management Personnel

Amanbir Singh Sethi

Enterprises owned or significantly influenced by key management personnel or their relatives

Aman Box Factory Private Limited
ATPAC Industries
A&A Logistics
Chadha Holdings Private Limited
Shiv Shakti Traders
Rado Enterprises Private Limited

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46 **Related Party Disclosure Contd...**

Transactions and outstanding balances with related parties

a. **Sale / purchase of goods and services**

	Year ended	Sales of goods and services */Machinery	Purchase of goods and services*
Enterprises owned or significantly influenced by key management personnel or their relatives			
Aman Box Factory Private Limited	**March 31, 2018**	**87,277,977**	**5,478,782**
	March 31, 2017	89,667,391	22,827,500
ATPAC Industries	**March 31, 2018**	**139,783,637**	**11,806,996**
	March 31, 2017	111,628,604	9,076,786
Grand Total	**March 31, 2018**	**227,061,614**	**17,285,778**
	March 31, 2017	201,295,995	31,904,286

b. **Receivable / payable wrt sale / purchase of goods and services**

	Year ended	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives			
Aman Box Factory Private Limited	**March 31, 2018**	**31,991,364**	**-**
	March 31, 2017	18,370,459	-
ATPAC Industries	**March 31, 2018**	**-**	**20,125,883**
	March 31, 2017	-	3,706,143
Grand Total	**March 31, 2018**	**31,991,364**	**20,125,883**
	March 31, 2017	18,370,458	3,706,143

Notes forming part of the financial statements as at and for the year ended 31 March 2018

c. Loans accepted and repayment thereof

	Year ended	Loans accepted	Loan paid back	Interest Expense	Loan paid back (By Issuance of Pref. Shares)
Enterprises owned or significantly influenced by key management personnel or their relatives					
Chadha Holdings Private Limited	**March 31, 2018**	**8,000,000**	-	64,877	-
	March 31, 2017	67,500,000	-	-	274,481,000
ATPAC Industries	**March 31, 2018**	-	-	-	-
	March 31, 2017	80,000,000	-	-	-
Shiv Shakti Traders	**March 31, 2018**	-	-	-	-
	March 31, 2017	-	17,500,000	-	-
Grand Total	**March 31, 2018**	8,000,000	-	64,877	-
	March 31, 2017	147,500,000	17,500,000	-	274,481,000

d. Balances of loans and advances

	Year ended	Amount owed by related parties	Amount owed to related parties
Subsidiary Companies			
Manorama Paper Mills Limited	**March 31, 2018**	**1,010,833**	-
	March 31, 2017	1,010,833	-
Enterprises owned or significantly influenced by key management personnel or their relatives			
Chadha Holdings Private Limited (Redeemable Preference Share Capit	**March 31, 2018**	-	**887,142,000**
	March 31, 2017	-	887,142,000
Chadha Holdings Private Limited	**March 31, 2018**	-	**8,058,389**
	March 31, 2017	-	-
Shiv Shakti Traders	**March 31, 2018**	-	**47,883,113**
	March 31, 2017	-	47,883,113
Rado Enterprises Private Limited	**March 31, 2018**	-	**28,000,000**
	March 31, 2017	-	28,000,000
ATPAC Industries	**March 31, 2018**	-	**330,000,000**
	March 31, 2017	-	330,000,000
Grand Total	**March 31, 2018**	1,010,833	1,301,083,502
	March 31, 2017	1,010,833	1,293,025,113

Amount owed to / owed by related parties in foreign currency has been reinstated using the exchange rate prevailing at the year end.
Loans given are repayable on demand. These loans carry interest at the rate of 10% p.a.

e. Transactions with key management personnel / relatives of key management personnel

	Year ended	Remuneration paid	Remuneration payable
Amanbir Singh Sethi, Whole time director	**March 31, 2018**	**6,000,000**	-
	March 31, 2017	5,224,000	-
Grand Total	**March 31, 2018**	6,000,000	-
Accordingly the Company's share in the accumulated profit after tax c	March 31, 2017	5,224,000	-

47 Auditor's Remuneration*

	31 March 2018	31 March 2017	01 April 2016
1. Statutory Audit Fee	200,000	200,000	125,000
2. Tax Audit Fee	100,000	100,000	75,000
3. Limited review	100,000	100,000	100,000
Total	400,000	400,000	300,000

*Excluding taxes

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Notes forming part of the financial statements as at and for the year ended 31 March 2018

48 Contingent Liabilities

		31 March 2018	31 March 2017	01 April 2016
(a)	**Claims against the Company not acknowledged as debts**	-	-	-
(i)	The company had placed an order for purchase of some machinery with M/s Hindustan Door Oliver Ltd against which it had given them advance for Rs. 46 lakhs. However dispute arose as the company refused to take delivery of the material on the ground that it did not meet the required specifications. Consequently in the year 1999, M/s Hindustan Door Oliver Ltd filed a compensation claim of Rs. 1 crore in the Hon'ble Bombay High Court. The company challenged the contention of M/s Hindustan Door Oliver Ltd as also the jurisdiction of Hon'ble Bombay High Court in the matter. The matter was subsequently transferred to the court of Hon'ble Court of ADJ, Saket, New Delhi. Next date of hearing in this case is 07.07.2018.	10,000,000	10,000,000	10,000,000
(ii)	The company had been procuring Imported Waste paper from M/s VIPA Lausanne SA. During the year 2009, one of the consignments shipped by M/s Vipa Lausanne SA to the company was sold to some third party by M/s VIPA Lausanne SA. However later it started claiming demurrage charges from the company and filed a winding up petition of the company u/s 433 and 434 of Companies Act, 1956 before the Hon'ble Allahabad High Court. The matter was disputed by the company before the Hon'ble High Court on the ground that the company is not liable to pay any demurrage charges and also the fact that M/s VIPA Lausanne SA being a company registered outside India can not file the suit in India against the company registered in India.	20,000,000	20,000,000	20,000,000
(iii)	During the year 2007 the company had purchased some boiler material from M/s Balaji Minerals. The material was rejected as it was not as per the specification given by the company. Against this M/s Balaji Minerals filed a suit in the Hon'ble ADJ Court Jaipur in the year 2010. The case is pending till date.	60,000	60,000	60,000
(iv)	During the year 2007 the company had purchased some boiler material from M/s Satyam Minerals. The material was rejected as it was not as per the specification given by the company. Against this M/s Satyam Minerals filed a suit in the Hon'ble ADJ Court Jaipur in the year 2010. The case is pending till date.	76,000	76,000	76,000
(v)	During the year2009 the company had purchased Hydro-SF Chemical from M/s Transpek Silox Industry Ltd. However, the material was rejected on it being not as per the specification given by the company. Against this M/s Transpek Silox Industry Ltd file a suit in the Hon'ble CJ (SD) Court Vadodara in the year 2010. The case is still pending.	958,000	958,000	958,000
(vi)	The company had purchased some material from M/s Jyoti Metal. However the material was having some defects and the company raised debit notes for that. Against this M/s Jyoti Metal has filed a suit before the Hon'ble Bombay High Court for the recovery of Rs. 9.77 Lacs. The Hon'ble High Court ordered the Company to deposit Rs. 2.66 Lacs and transferred the matter to District court. The Company filed an application before the H'able High Court against the execution order. Both our application in Hon'ble High Court and main suit in District court are pending.	977,000	977,000	977,000

These claims are in respect of various cases filed by the customers and employees. The legal proceedings are on-going and therefore, it is not practicable to state the timing of any payments. The management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

(vii) The Sales Tax Department has raised the following demands during the financial year 2017-18 against the company for which the company has filed appeals:

Assessment Year 2014-15 (Assessment Order Date: 08.09.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	770,093	693,084	77,009
CST	506,719	456,047	50,672
Entry Tax	-	-	-

Assessment Year 2015-16 (Assessment Order Date: 30.06.2017)	Demand Amount	Bond Submitted	Tax Deposited Under Protest
UP VAT	8,362,722	7,526,450	836,272
CST	1,740,883	1,566,795	174,088
Entry Tax	2,503,922	2,253,530	250,392

A.Y. 2009-10 and 2010-11	Demand Amount	Stay Granted in Appeal	Tax Deposited under protest
UP VAT/CST/Entry Tax (2009-10)	2,631,468	1,973,601	1,000,000
UP VAT/CST/Entry Tax (2010-11)	1,769,977	1,327,483	500,000

(b) **Detail of Statutory Dues**

UP Trade Tax (3B Form)	340,000	340,000	340,000
Appeal Pending UP, Tax Disputed Case A/y 2009-10	19,011	19,011	19,011
Appeal Pending UP, Tax Disputed Case A/y 2010-11	19,096	19,096	19,096
Appeal Pending UP, Tax Disputed Case A/y 2011-12	276,750	276,750	276,750

(b) **Detail of Other Dues Payable**

Other Dues - Liabilities	3,017,660	3,017,660	3,017,660

49 The Company hold the lease hold right of using an accommodation for a week per year (on cumulating basis) of Sterling Holidays Resorts where ever constructed. The original payment made by the company is Rs.67,800 the right of use is treated as fixed assets and depreciation is being charged considering the period of lease.

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51 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of Companies Act 2013, read together with paragraph 7 of Companies (Account) Rules 2014 ('Previous GAAP'). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed
Set out below are the applicable Ind AS101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

a) **Ind AS optional exemptions**

i) **Deemed cost**
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets and investment properties.
Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their Previous GAAP carrying value.

b) **Ind AS mandatory exceptions**

i) **Estimates**
An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

- Impairment of financial assets based on expected credit loss model.

ii) **De-recognition of financial assets and liabilities**
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109 retrospectively from a date the entity chooses, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) **Classification and measurement of financial assets**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flow for the periods. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

c) **Reconciliations between Previous GAAP and Ind AS**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.
Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS

Particulars	Notes to first-time adoption	March 31,2017	April 1, 2016
Total equity (shareholder's funds) as per Previous GAAP		**(431,183,339)**	**(451,238,302)**
Impact of measuring investments at FVTPL	d.i	413,941,681	375,368,429
Deferred tax impact	d.iii	(138,179,264)	(125,210,266)
Total adjustments		**275,762,417**	**250,158,163**
Total equity as per Ind AS		**(155,420,922)**	**(201,080,139)**

Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS

Particulars	Notes to first-time	March 31,2017
Profit after tax as per Previous GAAP		20,254,635
Reclassification of actuarial (gain) / loss in respect of defined benefit plan to 'Other Comprehensive Income'	d.ii	78,625
Effect of measuring investments at FVTPL	d.i	38,416,082
Reclassification of fair value loss on equity instruments designated as FVOCI to 'Other Comprehensive Income'	d.i, d.ii	-
Deferred tax impact	d.iii	(12,971,914)
Profit as per Ind AS		**45,777,428**
Other comprehensive income (net of tax)	d.ii	(51,414)
Total Comprehensive Income for the year		**45,726,014**

d) **Notes to first-time adoption:**

i) **Fair valuation of investments**

Under the Previous GAAP, investments in mutual funds and equity instruments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes (net of tax) of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss/ other comprehensive income for the year ended 31 March 2016.

ii) **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments net of tax. The concept of other comprehensive income did not exist under Previous GAAP.

iii) **Deferred tax**

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period excluding permanent differences. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP, as the same were considered as permanent difference.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Further, under Ind-AS, MAT credit entitlement has been treated as component of deferred tax and has been reflected accordingly in these financial statements. Under the Previous GAAP, the same was disclosed as a separate tax credit in the statement of profit and loss and a separate tax asset in the balance sheet. This however has no effect either on the equity or on the profit after tax as was reported under the Previous GAAP.

iv) **Statement of cash flows**

The transition from Previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

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