



**SHREE KRISHNA PAPER  
MILLS & INDUSTRIES LIMITED**  
(WE RECYCLE WASTE)

SKPM/SEC.DEPT/2018-19  
October 3, 2018

To,  
Bombay Stock Exchange Limited  
Corporate Relationship Deptt.  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort,  
Mumbai-400001.

**Sub : Annual Report of the Company for the financial year 2017-18**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the Annual Report of the Company for the financial year 2017-18 which has been approved and adopted in the Annual General Meeting held on Friday, September 28, 2018 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092.

This is for your information and records.

Thanking you,

Yours faithfully

**For Shree Krishna Paper Mills & Industries Ltd.**


**(Sonam Katyal)**  
**Company Secretary & Compliance Officer**



# Annual Report 2017-2018



**Shree Krishna Paper Mills  
& Industries Limited**







**BOARD OF DIRECTORS**

Mr. N. K. Pasari (Managing Director)  
Mr. B. N. Pasari  
Mr. L. C. Sharma  
Mr. P. N. Singh  
Ms. Tripta Goswami\*  
Mr. Rajesh Muju  
Ms. Rakhi Verma\*\*

\*Resigned w.e.f. November 18, 2017

\*\*Appointed as Additional Director w.e.f. November 18, 2017

**CHIEF FINANCIAL OFFICER**

Mr. S. K. Agarwal

**COMPANY SECRETARY**

Ms. Sonam Katyal

**AUDITORS**

M/s. Radheshyam Sharma & Co.  
Chartered Accountants  
Delhi

**COST AUDITORS**

M/s. Vijender Sharma & Co.  
Cost Accountants  
Delhi

**SECRETARIAL AUDITORS**

M/s. BLAK & Co.  
Company Secretaries  
New Delhi

**BANKERS**

Bank of India  
Dena Bank  
The Catholic Syrian Bank Ltd.  
Andhra Bank

**REGISTERED OFFICE**

4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi - 110 002  
CIN : L21012DL1972PLC279773  
Ph. 011-23261728, 46263200  
Fax. 011-23266708  
E-mail : info@skpmil.com  
Website : www.skpmil.com

**WORKS**

Plot No. "SPL-A"  
RIICO Industrial Area,  
Vill. Keshwana, Teh. Kotputli,  
Distt. Jaipur (Rajasthan)  
Pin - 303 108

**SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
44, Community Centre, 2<sup>nd</sup> Floor,  
Naraina Industrial Area,  
Phase-I, New Delhi-110 028  
Ph. 011-41410592 to 94  
Fax. 011-41410591  
E-mail : delhi@linkintime.com

**CONTENTS**

Notice of AGM .....	02	Statement of Profit & Loss .....	41
Directors' Report .....	07	Cash Flow Statement .....	42
Management Discussion and Analysis Report .....	26	Statement of Change in Equity .....	43
Corporate Governance Report .....	28	Significant Accounting Policies .....	44
Independent Auditors' Report .....	36	Notes to Financial Statements .....	53
Balance Sheet .....	40		



## NOTICE

NOTICE is hereby given that the 46<sup>th</sup> Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Friday, September 28, 2018 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Pasari (DIN: 00101519), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. To appoint Mrs. Rakhi Verma as a Director and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Rakhi Verma (DIN - 07995132), who was appointed as an Additional Director of the Company in the category of Woman Director by the Board of Directors with effect from November 18, 2017 and who holds office until the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for appointment as a Director, be and is hereby appointed as a Director of the Company in the category of Woman Director, liable to retire by rotation."

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and, in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies

(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses to M/s. Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No.: 00180) who have been appointed by the Board of Directors of the Company for conducting the audit of cost records of the Company for the financial year ending March 31, 2019.

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

Registered Office:  
4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi-110002  
CIN: L21012DL1972PLC279773  
Tel: 91-11-23261728  
Fax: 91-11-23266708  
E-mail: info@skpmil.com  
Website: www.skpmil.com

By order of the Board of Directors

**Sonam Katyal**  
Company Secretary  
Membership No. 33550

Place: New Delhi  
Date: May 30, 2018

### NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 and 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. A member entitled to attend and vote at the Annual General 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.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital



of the Company may appoint a single person as Proxy who shall not act as Proxy for any other member. A proxy form is annexed to this report.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

3. Corporate Members intending to send their authorized representatives to attend and vote at the meeting are requested to send a duly certified copy of Board Resolution.
4. **Members, Proxies and Authorized representatives are requested to bring the attendance slips along with their copy of annual report to the meeting.**
5. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2018 to September 28, 2018 (both days inclusive) in connection with the Annual General Meeting.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP) with whom they maintain their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Company/Registrar & Share Transfer Agent quoting their folio number and changed details.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the prescribed form. Members are requested to submit the said details to their depository participants (DP) in case the shares are held by them in electronic form and to Registrar & Share Transfer Agent in case the shares are held by them in physical form.
9. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
10. Members holding Share Certificates under different folio numbers but in the same order of names are requested to apply for consolidation of such folios and send relevant Share Certificates to the Registrar and Transfer Agent of the Company.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account

Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent/the Company.

12. Securities of listed Companies would be transferred in dematerialized form only, from a cut-off date, to be notified by SEBI. In view of the same members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company's RTA for assistance in this regard.
13. Electronic copy of the Annual Report 2017-18 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017-18 are being sent in the permitted mode.
14. Members may also note that the Notice of the 46<sup>th</sup> Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website [www.skpmil.com](http://www.skpmil.com) for download. The documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by members at the Registered Office of the Company during business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m., up to the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may send request to the Company's investor email: [cs@skpmil.com](mailto:cs@skpmil.com).
15. A route map showing directions to reach the venue of the 46<sup>th</sup> Annual General Meeting is given at the end of the notice as per the requirement of the Secretarial Standards-2 on "General Meetings".
16. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and sub clause (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be passed at the 46<sup>th</sup> Annual General Meeting (AGM) by electronic means. For this purpose, the Company has made necessary arrangements with Link Intime India Private Limited (LI IPL) for



facilitating e-voting. The instructions for electronic voting are given below. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('Remote e-voting').

The instructions for shareholders voting electronically are as under:

- (i) The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. September 21, 2018.
- (ii) The voting period begins on September 25, 2018 (9.00 a.m.) and ends on September 27, 2018 (5.00 p.m.). During this period, shareholder of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2018, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - 1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
  - 2. Click on "Login" tab, available under 'Shareholders' section.
  - 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  - 4. Your User ID details are given below:
    - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
    - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
    - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
  - 5. Your Password details are given below:

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

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

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>• Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above-mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction 4.</li> </ul>

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

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

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

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

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

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

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

**Cast your vote electronically**

- 6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.
- 7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.



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

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for shareholders:**

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

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call at :- Tel : 022 - 49186000.

**Other Instructions:**

- i. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 21, 2018

may follow the same instructions as mentioned above for e-Voting.

- ii. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.
- iii. The Company has appointed Mr. Manish Kumar Bansal (Advocate), Partner of Globiz Partners as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall make a consolidated Scrutinizer's Report of e-voting and the votes in the Annual General Meeting and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- v. The Results declared along with the Scrutinizer's Reports shall be placed on the Company's website [www.skpmil.com](http://www.skpmil.com) and on the website of LIPL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall simultaneously be communicated to the Stock Exchange.

17. Members desirous of asking any question or seeking any information in the meeting are requested to write a letter to the Company Secretary at least seven days before the date of meeting to enable the Management to keep the answer/information ready.

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting**

Particulars	Mr. B. N. Pasari	Mrs. Rakhi Verma
DIN	00101519	07995132
Date of Birth	08-08-1930	25-06-1970
Date of Appointment	17-12-1980	18-11-2017
Qualification	Matriculation	Commerce Graduate
Experience in specific functional areas	Rich experience of about 65 years in trading business	More than 24 years of rich experience in the field of Cost Management
Directorship held in other listed entities	NIL	NIL
Membership/ Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Chairman of Audit Committee of Bishwanath Industries Limited and Member of Audit Committee of Bishwanath Traders and Investments Limited	NIL
Number of shares held in the Company	200	NIL
Relationship with any Director(s) of the Company	He is father of Mr. N. K. Pasari, Managing Director of the Company	NIL





EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.3

Mrs. Rakhi Verma (DIN - 07995132) was appointed as an Additional Director by the Board with effect from November 18, 2017 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Rakhi Verma will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in Writing under the provisions of Section 160 of the Companies Act, 2013 from a Member alongwith a Deposit of ₹ 1,00,000 proposing the candidature of Mrs. Rakhi Verma for the Office of Director (Woman Director), to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mrs. Rakhi Verma aged about 47 years holds a Bachelor’s Degree in Commerce. She is having more than 24 years of rich experience in the field of cost management. Considering the rich experience that Mrs. Rakhi Verma brings to bear, her appointment as a Director of the Company will be in its best interest.

The Company has received from Mrs. Rakhi Verma (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming their eligibility for such appointment.

The documents, if any, referred to in this item are open for inspection at the Registered Office of the Company during the business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

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

The Board recommends the resolution as an Ordinary Resolution for approval of the members.

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vijender Sharma & Co., Cost Accountants, Delhi to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, at a remuneration of ₹ 75,000/- per annum plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the audit, subject to ratification by members.

In terms of the 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 Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2018-19 as set out in the resolution for the aforesaid services to be rendered by them.

The documents, if any, referred to in this item are open for inspection at the Registered Office of the Company during the business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are interested in this resolution.

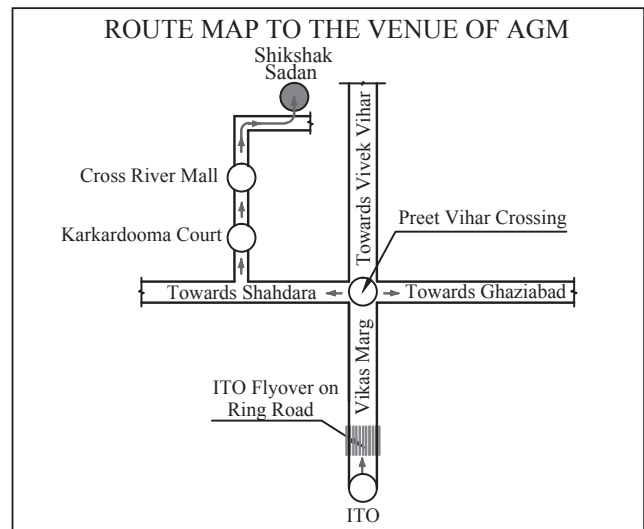
The Board recommends the resolution as an Ordinary Resolution for approval of the members.

Registered Office: 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi-110002  
CIN: L21012DL1972PLC279773  
Tel: 91-11-23261728  
Fax: 91-11-23266708  
E-mail: info@skpmil.com  
Website: www.skpmil.com

By order of the Board of Directors

Sonam Katyal  
Company Secretary  
Membership No. 33550

Place: New Delhi  
Date: May 30, 2018



**DIRECTORS' REPORT**

To the Members,

The Directors of your Company are pleased to present the 46<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on March 31, 2018.

**FINANCIAL RESULTS**

The financial performance of the Company for the year ended March 31, 2018 is summarised below:

	2017-18	2016-17
Revenue from Operations (Net)	13,665.98	13,806.14
Profit before Exceptional Items and Tax	(376.14)	648.75
Exceptional Items	539.83	1,771.35
Profit before Tax	163.69	2,420.10
Less: Tax Expense	101.85	46.01
Profit for the Year	61.84	2,374.09
Other Comprehensive Income	13.85	8.01
Total Comprehensive Income for the period	75.69	2,382.10

(₹ in Lakhs)

During the year under review, the revenue from operations was ₹13,665.98 lakhs against ₹13,806.14 lakhs in the last financial year. The Company has earned profit before tax of ₹163.69 lakhs (including income from exceptional items amounting to ₹539.83 Lakhs) against ₹2,420.10 lakhs (including income from exceptional items amounting to ₹1,771.35 Lakhs) in last year. The performance has been affected adversely due to increase in the cost of raw material and several other factors. However, your directors are making continuous effort in analysing and implementing various measures for better results and the improvement in performance of the Company.

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from 1 April, 2017 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

**DIVIDEND**

Keeping in view the low quantum of profit, the Directors have decided not to recommend any dividend for the year under review and plough back the profits to increase the wealth of the shareholders.

**SHARE CAPITAL**

The paid-up Equity Share Capital as on March 31, 2018 was ₹1,352.17 lakhs. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme.

**LISTING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on Bombay

Stock Exchange. The Company's delisting application with Calcutta Stock Exchange is pending since long.

**PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any public deposit within the meaning of Chapter V of the Companies Act, 2013 and rules made there under.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 is annexed herewith as 'Annexure-A'.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

During the year, the Company has regularized the appointment of Mr. Rajesh Muju (DIN: 07751945) as an Independent Director at the Annual General Meeting held on September 26, 2017 who was appointed as an Additional Director on March 7, 2017.

Ms. Tripta Goswami (DIN: 07111342) resigned as Director of the Company w.e.f. November 18, 2017. The Board has placed on record sincere appreciation and gratitude for contributions made by her during her tenure as a Director.

The Board of Directors has appointed Ms. Rakhi Verma (DIN: 07995132) as an Additional Director (Non-Executive) with effect from November 18, 2017. In terms of Section 161 of the Companies Act, 2013, Ms. Rakhi Verma holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a member proposing her name for appointment as a Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Rakhi Verma as a Director, for the approval by the members of the Company. Brief profile of Ms. Rakhi Verma is given in the notice convening the ensuing AGM.



In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. B. N. Pasari (DIN: 00101519), Non-Executive Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The information on the particulars of Director eligible for appointment in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

#### **Declaration by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Board Evaluation**

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and the rules made thereunder, the Board was required to carry out the Annual Performance Evaluation of the Board, its Committees and individual Directors. Additionally, as per provision of Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the performance evaluation of the independent directors was also to be done by the Board of Directors. Accordingly, the Board has carried out the annual evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole, and following Committees of the Board of Directors.

- i) Audit Committee;
- ii) Nomination and Remuneration Committee;
- iii) Stakeholders' Relationship Committee; and
- iv) Corporate Social Responsibility Committee;

The manner in which the evaluation has been carried out is explained in the Corporate Governance Report. The Board approved the evaluation results recommended by the Nomination and Remuneration Committee.

#### **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy for selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management and their remuneration. The Nomination and Remuneration Policy is annexed as 'Annexure-B' to the Directors' Report.

#### **Board Meetings**

During the year, Twelve Board Meetings and One Independent Directors' Meeting were held, the details of which are given in the Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings.

#### **Composition of Audit Committee**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report. There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The applicability of the provisions of Corporate Social Responsibility on the Company commenced from the financial year 2017-18, as the net profit of the Company exceeded Rs. 5 Crore in the financial year 2016-17. Accordingly, pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee). The details of membership of the committee & the meetings held are detailed in the Corporate Governance Report, forming part of this report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR committee is available on the website of the Company and can be accessed through the web link <http://www.skpmil.com/pagepdf/1502951707.pdf>. The CSR Committee comprises of two Independent Directors and one Non-Executive Director.

The Committee had given their recommendation to incur the CSR expenses directly and identified the areas of ensuring environmental sustainability as specified under Schedule VII of the Companies Act, 2013 by construction of recharge structures for rain water harvesting under Mukhyamantri Jal Swavlamban Abhiyan in District Jaipur, Rajasthan. The Annual Report on CSR Activities is attached as 'Annexure-C'.

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

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended on March 31, 2018, the applicable accounting standards have been followed and there is no material departure from the same;
- ii) the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended on March 31, 2018 and of the profit of the Company for that period;
- iii) the Directors have 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;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial



- controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES**

Your Company does not have any subsidiary/joint venture/associate company within the meaning of the Companies Act, 2013.

#### **CORPORATE DEBT RESTRUCTURING**

The debts of the Company are under Corporate Debt Restructuring (CDR) mechanism w.e.f. April 1, 2009.

#### **RISK MANAGEMENT POLICY**

The Company has an integrated risk Management framework through which it identifies, monitors, mitigates and reports key risks that impacts its ability to meet the strategic objectives. A note on the policy of the Company on risk management is provided in this Annual Report under Management Discussion and Analysis Report.

#### **INTERNAL FINANCIAL CONTROLS**

In the opinion of the Board, the company has in place an adequate system of Internal Financial Control commensurate with its size & nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, compliance of applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. During the year under review, such systems were tested and no material weaknesses in their design or operations were observed.

#### **CURRENT OUTLOOK**

Paper Industry plays a vital role in the economic growth of a country through revenue generation, foreign exchange earnings, and employment generation. India is a growing nation in both population and aspirational middle class, which ultimately means a growth in paper consumption. There is a great opportunity in India for the industry to work together for the development of the industry. Paper finds its usage in recording, storage and dissemination of information. Despite the technological revolution leading to increased computerization of operations, paper still holds on to its existence and has become an essential commodity.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure-D' to the Directors' Report.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies

Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 29, 2015, to hold office till the conclusion of the 48<sup>th</sup> Annual General Meeting of the Company.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2017-18 does not contain any qualification, reservation or adverse remark.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. The observations of Statutory Auditors and Notes to the Financial Statements are self-explanatory and do not call for any further comments.

##### **Cost Auditors**

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Amendment Rules, 2015 and the Companies (Cost Records and Audit) Amendment Rules, 2015, the Board has, on the recommendation of Audit Committee, approved the appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No. 00180) to carry out the cost audit of Company's records in respect of newsprint paper for the financial year 2018-19, at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the aforesaid audit. The remuneration proposed to be paid to them requires ratification by the members of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

The Cost Audit Report for the financial year ended on March 31, 2017 has been filed under XBRL mode within the stipulated time period.

##### **Secretarial Auditors**

M/s. BLAK & Co., Company Secretaries, Delhi were appointed to conduct the secretarial audit of the Company for the financial year ended on March 31, 2018, as required under the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report submitted by them is annexed herewith as 'Annexure-E'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

##### **Internal Auditors**

M/s G A M S & Associates, Chartered Accountants performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

#### **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year, the Company has not granted any loans



or given guarantees/securities or made investments under section 186 of the Companies Act, 2013. The earlier investments made by the Company are provided in the notes to the financial statements in this Annual Report.

**RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm’s length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee for approval in compliance with the requirements laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Omnibus approval was obtained on a yearly basis for transactions which were of repetitive nature.

The Policy on Related Party Transactions as approved by the Board is also uploaded on the Company’s website at www.skpmil.com. The details of the related party transactions are set out in Note No. 59 to the financial statements forming part of this Annual Report.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a ‘Whistle Blower policy/Vigil Mechanism’ which provides for adequate safeguard against victimization of person who use such mechanism and the Directors and employees have direct access to the Chairman of the Audit Committee, in exceptional cases. The Vigil Mechanism (Whistle Blower Policy) is available on Company’s website www.skpmil.com at <http://www.skpmil.com/pagepdf/1459763188.pdf> link.

**CORPORATE GOVERNANCE**

The Company constantly endeavours to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. A separate report on Management Discussion and Analysis, Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has an Internal Complaints Committee (ICC) for redressal of sexual

harassment complaints and for ensuring time bound treatment of such complaints. There was no complaint received from any employee during the financial year 2017-18 and hence, no complaint is outstanding as on March 31, 2018 for redressal.

**MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details have been appended to this Report as ‘Annexure-F (I)’.

A statement showing the names and other particulars of the top ten employees in terms of remuneration drawn as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as ‘Annexure-F (II)’ to this report.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No amount has been or is proposed to be transferred to any reserves of the Company.
2. No significant or material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company’s operations in future.
3. There were no special resolution passed pursuant to the provisions of Section 67(3) of the Companies Act, 2013 and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
4. No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

**ACKNOWLEDGEMENT**

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, stock exchanges and depositories, auditors, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

For and on behalf of the Board of Directors

**P. N. Singh**  
Director  
DIN: 00076392

**N. K. Pasari**  
Managing Director  
DIN: 00101426

New Delhi  
May 30, 2018

**ANNEXURE 'A'****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	L21012DL1972PLC279773
(ii)	Registration Date	14-09-1972
(iii)	Name of the Company	Shree Krishna Paper Mills & Industries Limited
(iv)	Category/Sub-Category of the Company	Company Limited by Shares
(v)	Address of the Registered office and contact details	4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002 Phone: 91-11-23261728, 46263200 Fax: 91-11-23266708 E-mail: cs@skpmil.com, info@skpmil.com Website: www.skpmil.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Indl. Area, Phase-I, New Delhi-110028 Ph: 011- 41410592 to 94 Fax: 011- 41410591 Email: delhi@linkintime.com

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

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	News Print Paper	17012	81.69
2	Coloured Kraft Paper	17015	12.26

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

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
None					

**IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	200	9,70,000	9,70,200	7.17	200	9,70,000	9,70,200	7.17	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-



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	
d) Bodies Corp.	-	47,40,480	47,40,480	35.06	-	47,40,480	47,40,480	35.06	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
a) Bodies corp.									
i) Indian	24,38,301	14,00,800	38,39,101	28.39	24,36,701	14,00,800	38,37,501	28.38	(0.01)
ii) Overseas	-	12,00,000	12,00,000	8.88	-	12,00,000	12,00,000	8.88	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2,96,382	1,89,033	4,85,415	3.59	2,95,764	1,80,883	4,76,647	3.53	(0.06)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2,78,931	-	2,78,931	2.06	2,82,421	-	2,82,421	2.09	0.03



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	
c) Others									
i) Clearing Member	2,171	-	2,171	0.02	1,315	-	1,315	0.01	(0.01)
ii) HUF	5,379	-	5,379	0.04	12,813	-	12,813	0.09	0.05
iii) Non-Resident Indian	3	20,00,000	20,00,003	14.79	303	20,00,000	20,00,303	14.79	-
<b>Sub-total (B)(2):</b>	<b>30,21,167</b>	<b>47,89,833</b>	<b>78,11,000</b>	<b>57.77</b>	<b>30,29,317</b>	<b>47,81,683</b>	<b>78,11,000</b>	<b>57.77</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>30,21,167</b>	<b>47,89,833</b>	<b>78,11,000</b>	<b>57.77</b>	<b>30,29,317</b>	<b>47,81,683</b>	<b>78,11,000</b>	<b>57.77</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>30,21,367</b>	<b>1,05,00,313</b>	<b>1,35,21,680</b>	<b>100.00</b>	<b>30,29,517</b>	<b>1,04,92,163</b>	<b>1,35,21,680</b>	<b>100.00</b>	<b>-</b>

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Bishwanath Industries Limited	20,47,300	15.14	15.14	20,47,300	15.14	15.14	-
2	Bishwanath Traders & Investments Limited	16,71,080	12.36	8.25	16,71,080	12.36	8.25	-
3	Birender Kumar Pasari	9,10,000	6.73	6.73	9,10,000	6.73	6.73	-
4	Bijay Paper Traders Limited	7,47,100	5.53	5.53	7,47,100	5.53	5.53	-
5	Devanshu Infin Limited	2,75,000	2.03	-	2,75,000	2.03	-	-
6	Pradeep Kumar Pasari	60,000	0.44	-	60,000	0.44	-	-
7	B. N. Pasari	200	0.00	-	200	0.00	-	-
	<b>Total</b>	<b>57,10,680</b>	<b>42.23</b>	<b>35.65</b>	<b>57,10,680</b>	<b>42.23</b>	<b>35.65</b>	

iii) Change in Promoters' Shareholding (Specify if there is no change):

Sl No.		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
	At the beginning of the year	No change during the year			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	No change during the year			
	At the end of the year	No change during the year			





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

Sl. No.	For Each of the Top 10 Shareholders	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	Vijay Kumar Gupta at the beginning of the year	20,00,000	14.79	20,00,000	14.79
	Increase/Decrease during the year	-	-	20,00,000	14.79
	at the end of the year			20,00,000	14.79
2	Govinda Power & Products Pvt Ltd at the beginning of the year	14,00,000	10.35	14,00,000	10.35
	Increase/Decrease during the year	-	-	14,00,000	10.35
	at the end of the year			14,00,000	10.35
3	WPS PTE Ltd at the beginning of the year	12,00,000	8.88	12,00,000	8.88
	Increase/Decrease during the year	-	-	12,00,000	8.88
	at the end of the year			12,00,000	8.88
4	SKCS Finvest Pvt Ltd at the beginning of the year	10,14,850	7.51	10,14,850	7.51
	sold 5 shares on 04.08.2017	-	-	10,14,845	7.51
	purchased 5 shares on 17.11.2017	-	-	10,14,850	7.51
	at the end of the year			10,14,850	7.51
5	Gopala Sales Pvt Ltd at the beginning of the year	7,50,000	5.55	7,50,000	5.55
	Increase/Decrease during the year	-	-	7,50,000	5.55
	at the end of the year			7,50,000	5.55
6	Global Manufacturers & Products Pvt Ltd at the beginning of the year	6,60,000	4.88	6,60,000	4.88
	Increase/Decrease during the year	-	-	6,60,000	4.88
	at the end of the year			6,60,000	4.88
7	Vardhman Arvind Sancheti at the beginning of the year	21,305	0.16	21,305	0.16
	purchased 27 shares on 12.05.2017	21,305	0.16	21,332	0.16
	purchased 1790 shares on 19.05.2017	-	-	23,122	0.17
	purchased 4026 shares on 16.06.2017	-	-	27,148	0.20
	purchased 21773 shares on 23.06.2017	-	-	48,921	0.36
	purchased 3491 shares on 24.11.2017	-	-	52,412	0.39
	purchased 1360 shares on 01.12.2017	-	-	53,772	0.40
	purchased 3573 shares on 15.12.2017	-	-	57,345	0.42
	purchased 300 shares on 22.12.2017	-	-	57,645	0.43
	purchased 577 shares on 29.12.2017	-	-	58,222	0.43
	purchased 125 shares on 05.01.2018	-	-	58,347	0.43
	purchased 2000 shares on 26.01.2018	-	-	60,347	0.45
	purchased 4102 shares on 02.02.2018	-	-	64,449	0.48
	purchased 750 shares on 09.02.2018	-	-	65,199	0.48
	purchased 700 shares on 16.02.2018	-	-	65,899	0.49
	purchased 503 shares on 23.02.2018	-	-	66,402	0.49
purchased 12629 shares on 16.03.2018	-	-	79,031	0.58	
at the end of the year			79,031	0.58	



Sl. No.	For Each of the Top 10 Shareholders	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
8	Arvind Kumar Sancheti at the beginning of the year	42,694	0.32	42,694	0.32
	purchased 7000 shares on 23.06.2017	-	-	49,694	0.37
	purchased 1 share on 06.10.2017	-	-	49,695	0.37
	purchased 2100 shares on 03.11.2017	-	-	51,795	0.38
	purchased 1200 shares on 10.11.2017	-	-	52,995	0.39
	purchased 4452 shares on 17.11.2017	-	-	57,447	0.42
	purchased 910 shares on 09.02.2018 at the end of the year	-	-	58,357	0.43
9	Pushpa Lata Gupta at the beginning of the year	36,400	0.27	36,400	0.27
	Increase/Decrease during the year	-	-	36,400	0.27
	at the end of the year	-	-	36,400	0.27
10	Sangeetha S at the beginning of the year	33,250	0.25	33,250	0.25
	Increase/Decrease during the year	-	-	33,250	0.25
	at the end of the year	-	-	33,250	0.25

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	Sh. B. N. Pasari - Non-Executive Director At the beginning of the year	200	-	200	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	200	-	200	-

V INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,841.18	258.33	-	2,099.51
ii) Interest due but not paid	146.74	-	-	146.74
iii) Interest accrued but not due	10.57	-	-	10.57
<b>Total (i+ii+iii)</b>	<b>1,998.49</b>	<b>258.33</b>	<b>-</b>	<b>2,256.82</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2.33	68.11	-	70.44
Reduction	90.66	2.16	-	92.82
<b>Net Change</b>	<b>(88.33)</b>	<b>65.95</b>	<b>-</b>	<b>(22.38)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1751.50	324.27	-	2,075.77
ii) Interest due but not paid	146.60	-	-	146.60
iii) Interest accrued but not due	12.06	-	-	12.06
<b>Total (i+ii+iii)</b>	<b>1,910.16</b>	<b>324.27</b>	<b>-</b>	<b>2,234.43</b>



**Notes:**

**Secured Loans include:**

- 1 Cash Credit Facilities from Banks are shown under Current Financial Liabilities - Borrowings in the Balance Sheet.
- 2 Current maturities of long term debts which are shown under Current Financial Liabilities - Others in the Balance Sheet.
- 3 Interest accrued which are shown under Current Financial Liabilities - Others and Non-Current Financial Liabilities - Others in the Balance Sheet.

**Unsecured Loans include:**

- 1 Current maturities of long term debts which are shown under Current Financial Liabilities - Others in the Balance Sheet.

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. N. K. Pasari	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	13.95	13.95
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	as % of profit	-	-
	Others (specify)	-	-
5	Others - P.F. Contribution	1.08	1.08
	Total (A)	15.43	15.43
	Ceiling as per the Act		84.00

**B. Remuneration to other directors**

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. P. N. Singh	Mr. L. C. Sharma	Mr. Rajesh Muju	
	(a) Fee for attending board/committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors	-	Mr. B. N. Pasari	Ms. Rakhi Verma	
	(a) Fee for attending board/committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				



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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Ms. Sonam Katyal	Mr. S. K. Agarwal	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	4.04	10.96	15.00
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others, specify	-	-	-
5	Others - P.F. Contribution	0.21	0.82	1.03
	Total	4.25	11.78	16.03

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
<b>A. Company</b> Penalty Punishment Compounding			None		
<b>B. Directors</b> Penalty Punishment Compounding			None		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding			None		

For and on behalf of the Board of Directors

P. N. Singh  
Director  
DIN: 00076392

N. K. Pasari  
Managing Director  
DIN: 00101426

New Delhi  
May 30, 2018



## ANNEXURE 'B'

### REMUNERATION POLICY

This Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### DEFINITIONS:

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**"Key Managerial Personnel"** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

**"Senior Managerial Personnel"** means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

### OBJECTIVE:

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.

### TERM / TENURE

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible



for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves as an Independent Director is restricted to seven listed companies. Further, in case a person is serving as a Whole-time Director of a listed company, then the number of Boards on which he serves as an Independent Director is restricted to three listed companies.

#### EVALUATION

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

#### REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

#### RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

##### 1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time

Directors.

##### 2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

##### 3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.



- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

For and on behalf of the Board of Directors

**P. N. Singh**

Director

DIN: 00076392

**N. K. Pasari**

Managing Director

DIN: 00101426

New Delhi

May 30, 2018

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and



## ANNEXURE 'C'

## ANNUAL REPORT ON CSR ACTIVITIES

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs:

Corporate Social Responsibility (CSR) forms an important part of the SKPMIL's philosophy for delineating its responsibility as a corporate citizen and the Company's CSR Policy aims to ensure that the Company contributes to the social and economic development of the communities in which we operate. The CSR initiatives focus on development of weaker section of society, health and wellness and environmental sustainability.

The CSR Policy of SKPMIL is available on the Company's website on the weblink: <http://www.skpmil.com/pagepdf/1502951707.pdf>

2. The Composition of the CSR Committee:

Name of the member	Designation
Mr. Rajesh Muju	Chairman
Mr. P. N. Singh	Member
Mrs. Rakhi Verma	Member

3. Average net profit of the Company for last three financial years: ₹ 919.83 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 18.40 Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; ₹ 18.40 Lakhs

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project/ activity	Sector in which the Project is covered	State and district where projects or program was undertaken	Amount outlay (budget)	Amount spent	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Water conservation program by construction of recharge structures for rain water harvesting	Ensuring Environmental Sustainability	Kotputli, Jaipur (Rajasthan)	30.68	30.68	30.68	Direct
	TOTAL			30.68	30.68	30.68	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report:

Not Applicable as the Company has spent the two percent of the average net profit of the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby declare that the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

(N. K. Pasari)  
Managing Director  
DIN: 00101426

(Rajesh Muju)  
Chairman, CSR Committee  
DIN: 07751945

New Delhi  
May 30, 2018





**ANNEXURE 'D'**

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

Information on conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided hereunder:

**(A) CONSERVATION OF ENERGY**

- (i) The steps taken or impact on conservation of energy;
  1. Initiated the process of installation of micron filter to use the ETP water in plant after filtering for saving of water and energy.
  2. Continuous controlling of Air & water leakages/wastage.
  3. Improvement of power factor by effective maintenance and daily monitoring of Capacitor Bank.
  4. Replacing conventional lights with LED lights.
- (ii) The steps taken by the company for utilising alternate sources of energy;
 

NIL
- (iii) The capital investment on energy conservation equipment;
 

Capital investment of ₹ 5.70 Lakhs

**(B) TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption;
  1. Installation of Decanter for thickening ETP sludge resulting in reduction of load on ETP and getting clear water.
  2. Preparation to install new Head box to improve the quality and increase the production thereby reducing the cost of manufacturing at paper machine.
  3. Installation of Duster Drum for removal of dust from waste paper.
  4. Installation of new centi-cleaner of advanced technology for cleaning of pulp.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
 

Various benefits in terms of quality improvement, cost reduction and enhancement of customer satisfaction have been derived as a result of above efforts.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
  - (a) the details of technology imported;
  - (b) the year of import;

- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof;

Not applicable as no technology imported during the last three years.

- (iv) The expenditure incurred on Research and Development;

Research & Development work is carried out in house as well as with the help of external sources on continuous basis. The expenses incurred on this are booked under general accounting head.

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

Earnings	:	Nil
Outgo	:	₹ 1,489.31 lakhs

For and on behalf of the Board of Directors

<b>P. N. Singh</b> Director DIN: 00076392	<b>N. K. Pasari</b> Managing Director DIN: 00101426
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New Delhi  
May 30, 2018

**ANNEXURE 'E'****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

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

To,  
The Members,  
**SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD**  
4830/24, Prahlad Street,  
Ansari Road, Darya Ganj  
New Delhi-110002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of applicable following laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (v) The other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us:

- a) Goods & Service Tax Act, 2017
- b) Custom Act, 1962
- c) Income Tax Act, 1961 and Indirect Tax Laws
- d) Indian Contract Act, 1872
- e) Indian Stamp Act, 1999
- f) Limitation Act, 1963
- g) Negotiable Instrument Act, 1981
- h) Registration Act, 1908
- i) Sale of Goods Act, 1930
- j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- k) Transfer of Property Act, 1882
- l) Weekly Holidays Act, 1942
- m) Labour laws including those applicable to Contract Labour

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 Agreement entered into by the Company with Bombay Stock Exchange (BSE) read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
\*The Company's delisting application with Calcutta Stock Exchange is in process since long.

However, the following Acts, Rules, Regulations, Guidelines, or Agreement(s)/ Arrangement(s) required to be reported as per prescribed format are not applicable to the Company during the Audit Period:

- i. 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; **(As there was no event/action in this regard during the Year under Audit)**
- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(As there was no event/action in this regard during the Year under Audit)**
  - b) The Securities and Exchange Board of India (Employee



Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(As there was no event/action in this regard during the Year under Audit)**

- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(As there was no event/action in this regard during the Year under Audit)**
- d) 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; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimously recorded.

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

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

for **BLAK & CO.**  
Company Secretaries

**(Archana Bansal)**  
Mg. Partner  
M.No. – A17865  
CoP No.- 11714

Place: New Delhi  
Date : 30.05.2018

#### ANNEXURE 'I'

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.

for **BLAK & CO.**  
Company Secretaries

**(Archana Bansal)**  
Mg. Partner  
M.No. – A17865  
CoP No.- 11714

Place: New Delhi  
Date : 30.05.2018

**Note:** This report is to be read with our **ANNEXURE 'I'** of even date which are annexed and forms an integral part of this report.

**ANNEXURE 'F (I)'**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

S. No.	Name of Director and Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. N. K. Pasari, Managing Director	6.87 : 1.00

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year;

S. No.	Name of Director/ KMP	Designation	Percentage increase in Remuneration of Directors/KMP
1	Mr. N. K. Pasari	Managing Director	56.01
2	Mr. S. K. Agarwal	Chief Financial Officer	15.40
3	Ms. Sonam Katyal	Company Secretary	5.51

(iii) The percentage increase in the median remuneration of employees in the financial year;  
42.56

(iv) The number of permanent employees on the rolls of company;  
286 as on March 31, 2018

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 21.67 % whereas the managerial remuneration was increased by 56.01% for the same financial year. There is a difference in the percentage increase in remuneration of employees other than managerial personnel and that of managerial personnel because the remuneration of Managing Director was increased after more than 3 years.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE 'F (II)'**

Statement showing the names and other particulars of the top ten employees in terms of remuneration drawn as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (designation wise)

S. No.	Name and age	Designation	Remuneration (in Lakhs)	Qualification and Experience	Date of commencement of employment	Last employment held
1	N. K. Pasari (62 Years)	Managing Director	14.35	B. Com, 44 Years	11-03-1974	-
2	D. K. Chanda (69 Years)	President	14.47	B. Com, 49 Years	01-04-1980	Rallis India Limited
3	A. K. Sharma (68 Years)	Sr. Vice President (L & CA)	12.96	B.Sc., LL.B., 46 Years	05-04-2000	Jindal Photofilms Ltd.
4	S. K. Agarwal (50 Years)	Chief Financial Officer	10.96	B. Com, FCA, 26 Years	03-05-1993	Mehra Goel & Co.
5	Satish Paliwal (49 Years)	CGM (Process)	10.06	Diploma in Paper & Pulp, 28 Years	08-11-2005	ABC Paper Mills Limited
6	Subhash Gupta (47 Years)	DGM-Accounts	8.43	B. Com, FCA, 21 Years	28-01-2015	Singal Bros. & Associates
7	Man Singh (60 Years)	Sr. Manager (Sales)	7.63	Matriculation, 40 Years	01-08-1981	Bishwanath Industries Limited
8	R. A. Goel (61 Years)	General Manager (Purchase)	7.60	B. Sc., 37 Years	28-12-2005	Modi Alkalies & Chemical Limited
9	Dharambir Singh (49 Years)	Sr. Manager (Mechanical)	7.19	Diploma in Mechanical Engineering, 29 Years	13-01-2010	Rama News Print Limited
10	S. N. Sharma (57 Years)	Sr. Manager (Mechanical)	6.78	Draughtsman (Mechanical), 36 Years	20-11-2006	Pitamber Coated Papers Ltd.

For and on behalf of the Board of Directors

New Delhi  
May 30, 2018

**P. N. Singh**  
Director  
DIN: 00076392

**N. K. Pasari**  
Managing Director  
DIN: 00101426



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian paper industry has taken rapid strides in the last decade to raise its production and quality levels to meet growing demands in the country. The industry has the resilience to face all sorts of challenges and work towards gaining comparative advantage on sustained basis by conserving resources, reducing costs and improving efficiency and quality at all levels. The growth of the Indian paper industry is visible when its counterparts in developed regions are complaining of growth saturations and that India represents an island of growth amid growth aridity elsewhere. The paper industry is growing with same rate as that of the nation's GDP and will keep growing with the rate in times to come.

### OPPORTUNITIES AND THREATS

The Indian paper industry is projected to grow tremendously on account of increasing literacy levels, higher government spending on education, booming retail sector, increasing industrial activities, growth in print media, packaging of FMCGs, pharmaceuticals and apparels, and changing urban lifestyles. A good amount of demand across the globe can be seen and mills are opting for better recycling solutions. It tends to be on a smaller scale, but there is investment in the paper industry going on all the time. There still seems to be a lot of dynamism around the Indian market despite it being hugely segmented. There is a lot of growth apparent in the Indian market.

The paper industry is one of the largest employers in India, however, the industry is marred by various challenges which need to be addressed on immediate basis. The raw material shortage and growing environmental pressure are two challenges which are interrelated and compound each other. Nearly 65 percent of the total demand is being met through imports which is hampering the growth of the industry in true sense. The increase in import of paper indicates that consumption is growing in India and the domestic industry should try to match the demands through its own production.

### OUTLOOK

Paper Industry plays a vital role in the economic growth of a country through revenue generation, foreign exchange earnings and employment generation. India is a growing nation in both population and aspirational middle class, which ultimately means a growth in paper consumption. There is a great opportunity in India for the industry to work together for the development of the industry. Paper finds its usage in recording, storage and dissemination of information. Despite the technological revolution leading to increased computerization of operations, paper still holds on to its existence and has become an essential commodity.

### RISKS & CONCERNS

The Company has in place a robust risk management policy which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders, to achieve business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans. An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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.

Your Company maintains an adequate and effective internal control system commensurate with the size and complexity. Internal Audit is conducted periodically by M/s. G A M S & Associates, Chartered Accountants who verify and report on the efficiency and effectiveness of internal controls. The Company has audit committee comprising of 3(Three) professionally qualified and well experienced Directors, who review the operational efficiency, adequacy and effectiveness of systems, processes and internal finance control of the Company.

### FINANCIAL PERFORMANCE

During the year under review, the revenue from operations was ₹ 13,665.98 lakhs against ₹ 13,806.14 lakhs in the last financial year. The Company has earned profit before tax of ₹ 163.69 lakhs (including income from exceptional items amounting to ₹ 539.83 Lakhs) against ₹ 2,420.10 lakhs (including income from exceptional items amounting to ₹ 1,771.35 Lakhs) in last year. The performance has been affected adversely due to increase in the cost of raw material and several other factors. However, your directors are making continuous effort in analysing and implementing various measures for better results and the improvement in performance of the Company.



#### **HUMAN RESOURCES & INDUSTRIAL RELATIONS**

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. The Company is committed to upgrading skills of managers. The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run. During the year, industrial relations were cordial and satisfactory. The Company had 286 employees on its payrolls as on March 31, 2018.

#### **CAUTIONARY STATEMENT**

Statements made herein describing the Company's expectations or predictions may be 'forward-looking statements' within the meaning of applicable Securities Law and Regulations. The actual results might differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, changes in the Government regulations, economic development within/outside country etc.



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its Members and other stakeholders in the Company. The Board of Directors of your Company firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standard of compliance.

The Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company has strengthened its Corporate Governance practices and has set highest standards of Corporate Governance by implementing the code of Corporate Governance in accordance with regulations 34 (3) read with Schedule V of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. BOARD OF DIRECTORS

#### i) Composition

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the Board's independence as well as separate its functions of governance and management. The Board of Directors comprises six Directors, out of which 1 is Executive Director, 2 are Non-Executive Directors including one Woman Director and 3 are Independent Directors. Ms. Tripta Goswami resigned from directorship w.e.f. November 18, 2017 and Ms. Rakhi Verma was appointed as Additional Director w.e.f. November 18, 2017.

None of the Directors on the Board is a member of more than 10 committees and Chairperson of more than 5 committees across all the Public Companies in which he/she is a Director.

The details of composition of the Board as on March 31, 2018, the attendance record of the Directors at the Board Meetings held during financial year 2017-18 and at the last AGM, as also the number of Directorship(s)/Committee Chairmanship(s)/Membership(s) held by them in other Public Companies along with shareholding of non-executive directors are given below:

Name/Designation of Directors	Category	No. of Position held in other companies			No. of Board Meetings Attended	Attendance at last AGM	No. of shares held by Non-Executive Directors (as on 31.03.2018)
		Directorship#	Committee\$				
			Member	Chairman			
Mr. N. K. Pasari (Managing Director)	ED (P)	1	-	-	12	No	N.A.
Mr. B.N. Pasari	NED (P)	5	3	2	3	No	200
Mr. L. C. Sharma	NED (I)	-	-	-	4	No	-
Mr. P.N. Singh	NED (I)	1	-	-	12	No	-
Mr. Rajesh Muju	NED (I)	-	-	-	12	No	-
Ms. Tripta Goswami*	NED	-	-	-	8	Yes	-
Ms. Rakhi Verma*	NED	-	-	-	4	N.A.	-

# resigned from directorship w.e.f. November 18, 2017.

\* appointed as Additional Director w.e.f. November 18, 2017.

\$ Chairmanship/Membership of Board Committees includes only Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

ED (P) – Executive Director (Promoter)

NED (P) - Non-Executive Director (Promoter)

NED (I) - Non-Executive Director (Independent)

#### ii) Meetings of Board of Directors

The Board of Directors met twelve times during the financial year 2017-18. The dates on which the Board meetings were held are as follows:

(i) April 12, 2017 (ii) May 30, 2017 (iii) June 22, 2017 (iv) July 31, 2017 (v) August 21, 2017 (vi) September 13, 2017 (vii) October 23, 2017 (viii) November 18, 2017 (ix) December 12, 2017 (x) January 15, 2018 (xi) February 13, 2018 and (xii) March 12, 2018. The maximum time gap between any two Board Meetings was 47 days.

All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

#### iii) Performance evaluation

The Board of Directors of the Company ensures the formation and monitoring of robust Evaluation framework of the Individual Directors, Board as a whole and various Committee thereof and carries out the evaluation of the Board, the Committees of the Board and Individual Directors on annual basis.

The Board Evaluation have been completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committee functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. The Directors expressed their satisfaction with the evaluation process.



**iv) Appointment and Separate Meeting of Independent Directors**

Terms and conditions of Independent Directors' appointment and tenure are available on Company's website [www.skpmil.com](http://www.skpmil.com).

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on February 12, 2018 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Management and the Board. All Independent Directors were present in the meeting.

**v) Familiarisation Programme for Independent Directors**

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The details of familiarization programmes are disclosed on the Company's website at [www.skpmil.com](http://www.skpmil.com) at <http://www.skpmil.com/pagepdf/1459763693.pdf> link.

**3. AUDIT COMMITTEE**

The Company has a qualified and independent Audit Committee and consists of 3 independent directors who provide assistance to the Board of Directors in fulfilling its responsibilities. The composition, procedure, Role / Function of the committee is in accordance with the requirements of the Companies Act, 2013 read with rules thereunder as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee invites Chief Financial Officer, other senior executives and representatives of auditors to be present at its meetings. The Company Secretary acts as the Secretary of the Audit Committee.

The brief terms of reference of the Audit Committee includes the following:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's

report in terms of clause (c) of sub-section 3 of section 134 of the Act.

- Changes, if any, in accounting policies and practices and reasons for the same.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Examination of the financial statement and the auditors' report thereon;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- Interaction with Auditors including review of internal audit function and reports;
- The audit committee shall review the information required as per SEBI Listing Regulations.

In addition, the Committee has discharged such other role/function as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

The Audit Committee met five times during the year 2017-18 on (i) April 12, 2017 (ii) May 30, 2017 (iii) September 13, 2017 (iv) December 12, 2017 and (v) February 13, 2018. The necessary quorum was present at the meetings.

The composition and the details of meetings attended by the members of the Audit Committee for the financial year 2017-18 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. P.N. Singh	Chairman	NED (I)	5
2	Mr. L. C. Sharma	Member	NED (I)	4
3	Mr. Rajesh Muju	Member	NED (I)	5

NED (I) - Non-Executive Director (Independent)

**4. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee has been formed in compliance with the Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act 2013. Ms. Sonam Katyal, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:





- (a) Handling the grievances/requests received from the shareholders of the Company;
- (b) Periodically interact with the Registrar and Share Transfer Agent to ascertain and look into the quality of the Company's investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system;
- (c) Review the reports submitted by the Registrar and Share Transfer Agent of the Company;
- (d) Follow-up on the implementation of suggestions for improvement, if any;
- (e) Report to the Board about serious concerns, if any.

During the year under review, the Stakeholders' Relationship Committee was reconstituted pursuant to the resignation of Ms. Tripta Goswami and appointment of Ms. Rakhi Verma w.e.f. November 18, 2017. Ms. Rakhi Verma was appointed as Member of the Committee in place of Ms. Tripta Goswami.

During the year 2017-18, four meetings of the Stakeholders' Relationship Committee were held on (i) June 22, 2017 (ii) August 21, 2017 (iii) November 18, 2017 and (iv) February 10, 2018.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the members during the financial year 2017-18 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. P.N. Singh	Chairman	NED (I)	4
2	Mr. Rajesh Muju	Member	NED (I)	4
3	Ms. Tripta Goswami*	Member	NED	2
4	Ms. Rakhi Verma#	Member	NED	1

\* resigned w.e.f November 18, 2017

# appointed w.e.f. November 18, 2017

NED (I) - Non-Executive Director (Independent)

- No. of investors' complaints received during the year: 2
- No. of complaints not solved to the satisfaction of shareholders during the year: Nil
- No. of complaints pending as at March 31, 2018: Nil (other than those which are under litigation, disputes or court orders)

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been formed in compliance with the Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act 2013.

The terms of reference of the Nomination and Remuneration Committee cover all applicable matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 which includes:

- a) Identifying persons who are qualified to become Directors and who may be appointed in senior management

- positions in accordance with the laid down criteria;
- b) Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- c) Formulation of criteria for performance evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

During the year under review, the Nomination and Remuneration Committee was reconstituted pursuant to the resignation of Ms. Tripta Goswami and appointment of Ms. Rakhi Verma w.e.f. November 18, 2017. Ms. Rakhi Verma was appointed as member of the Committee in place of Ms. Tripta Goswami.

During the year 2017-18, three meetings of the Nomination and Remuneration Committee were held on (i) May 30, 2017 (ii) September 13, 2017 and (iii) November 18, 2017.

The composition of the Nomination and Remuneration Committee and the details of meeting attended by the members during the financial year 2017-18 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Muju	Chairman	NED (I)	3
2	Mr. P. N. Singh	Member	NED (I)	3
3	Ms. Tripta Goswami*	Member	NED	2
4	Ms. Rakhi Verma#	Member	NED	-

\* resigned w.e.f November 18, 2017

# appointed w.e.f November 18, 2017

NED (I) - Non-Executive Director (Independent)

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which forms part of Directors' Report.

## 6. REMUNERATION TO DIRECTORS

- (i) Non-executive Directors don't have any pecuniary relationship or transactions with the Company.

### (ii) Criteria of making payments to Non-Executive Directors

The Company does not pay any remuneration or sitting fee to the Non-Executive Directors. They are entitled to claim the actual out-of-pocket expenses incurred for attending Board Meetings.

### (iii) Remuneration to Managing Director

The details of remuneration paid to Mr. N. K. Pasari, Managing Director during the year ended March 31, 2018 is as under:



(Amount in ₹)

Basic Salary	HRA	Perquisites	Bonus	Others- Contribution to PF	Total	Stock options granted
9,00,000	4,50,000	39,600	44,982	1,08,000	15,42,582	-

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee comprising Mr. Rajesh Muju, Independent Director as its Chairman, Mr. P. N. Singh, Independent Director and Ms. Tripta Goswami, Non-Executive Director, as its Members. The committee was further reconstituted pursuant to the resignation of Ms. Tripta Goswami and appointment of Ms. Rakhi Verma w.e.f. November 18, 2017. Ms. Rakhi Verma was appointed as member of the Committee in place of Ms. Tripta Goswami.

The broad terms of reference of the CSR Committee are as under: Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company, Recommending the amount of expenditure to be incurred on the aforesaid activities and Reviewing and Monitoring the CSR Policy of the Company from time to time.

During the year 2017-18, four meetings of the Corporate Social Responsibility Committee were held on (i) May 30, 2017 (ii) September 13, 2017 (iii) November 18, 2017 and (iv) February 13, 2018.

The composition of the Corporate Social Responsibility Committee and the details of meeting attended by the members during the financial year 2017-18 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Muju	Chairman	NED (I)	4
2	Mr. P. N. Singh	Member	NED (I)	4
3	Ms. Tripta Goswami*	Member	NED	2
4	Ms. Rakhi Verma#	Member	NED	1

\* resigned w.e.f November 18, 2017

# appointed w.e.f November 18, 2017

NED (I) - Non-Executive Director (Independent)

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on all the matters as required by Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been included and is a part of the Annual Report.

## 9. RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, the Company Secretary in practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form and the total issued/paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock

Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and in physical form.

## 10.CEO/CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer (CFO) have given annual certification to the Board with respect to the financial statements, internal controls and other matters which forms part of this report.

## 11.CODE OF CONDUCT

The Company has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director to this effect forms part of this report. Code of Conduct has also been posted on the Company's website [www.skpmil.com](http://www.skpmil.com)

## 12.GENERAL MEETINGS

The details of Annual General Meetings held during last three years and the special resolution(s) passed there at, are as follows:

AGM Date & Time	Venue of Meeting	Special Resolution Passed
29-09-2015 11:00 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	Adoption of new set of Articles of Association of the Company.
29-09-2016 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	Reappointment of Mr. N. K. Pasari as Managing Director and fixing his remuneration
26-09-2017 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	-

There have been no resolutions put through postal ballot during the last year and there is no immediate proposal for passing any resolution through postal ballot.

## 13.MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

- The quarterly, half yearly and annual results are submitted to Bombay Stock Exchange in accordance with the listing requirements and published in the leading newspapers such as Business Standard (both English & Hindi).

The Company's website [www.skpmil.com](http://www.skpmil.com) contains a separate dedicated section 'INVESTORS' where



shareholders' information is available. The financial results and the Annual Report of the Company are available on the website.

- All the data relating to financial results, quarterly compliances, various submissions/disclosure documents etc., are filed electronically on BSE's Electronic platform 'Listing Centre' and shareholding pattern & Corporate Governance Report have been filed in XBRL mode with the Exchange on the 'Listing Centre' as mandated by BSE. The shareholders can also access the Company's website for all the submissions and announcements.
- The official press releases and presentations, if any, are also available on the Company's website.
- Disclosure pursuant to various provisions of Listing Regulations, as applicable, are promptly communicated to the Bombay Stock Exchanges, and are displayed by them on their websites.

**14. GENERAL SHAREHOLDER INFORMATION**

**i) Annual General Meeting**

Date : September 28, 2018  
 Day : Friday  
 Time : 10.30 a.m.  
 Venue : Shikshak Sadan  
 Surajmal Vihar  
 Delhi - 110092

**ii) Financial Year**

The Company follows the period of April 1 to March 31 as the Financial Year.

**iii) Financial Calendar (Tentative)**

Board Meeting to take on record	Schedule
Results for the * Quarter ending June 30, 2018	On or before August 14, 2018
* Quarter ending September 30, 2018	On or before November 14, 2018
* Quarter ending December 31, 2018	On or before February 14, 2019
* Quarter ending March 31, 2019	On or before May 30, 2019

**iv) Book Closure Date**

September 24, 2018 to September 28, 2018 (both days inclusive).

**v) Listing on Stock Exchanges**

The Equity Shares of the Company are listed on the following two Stock Exchanges:

Name & Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	500388
*The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001	29133

\*The Company's delisting application with Calcutta Stock Exchange is in process since long.

**Note:** The Company has paid the Listing Fee to Bombay Stock Exchange Ltd. upto 2018-2019.

**vi) Market Price Data**

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the Equity Shares of the Company in comparison to BSE Sensex is given hereunder:

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2017	23.90	23.90	30,184.22	29,241.48
May, 2017	23.90	23.90	31,255.28	29,804.12
June, 2017	28.15	23.90	31,522.87	30,680.66
July, 2017	28.15	28.15	32,672.66	31,017.11
August, 2017	28.15	28.15	32,686.48	31,128.02
September, 2017	28.15	24.40	32,524.11	31,081.83
October, 2017	35.60	26.90	33,340.17	31,440.48
November, 2017	28.90	23.70	33,865.95	32,683.59
December, 2017	35.75	28.25	34,137.97	32,565.16
January, 2018	45.40	31.70	36,443.98	33,703.37
February, 2018	40.80	29.10	36,256.83	33,482.81
March, 2018	39.05	29.60	34,278.63	32,483.84

Source: www.bseindia.com

**vii) Code of conduct for prohibition of insider trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of conduct for its Directors and Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company.

**viii) SEBI Complaints Redress System (SCORES)**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES. During the year 2017-18, one shareholder's complaint was received on SCORES by the Company which was duly resolved and Action Taken Report was uploaded on the SCORES online portal.

**ix) Registrar and Share Transfer Agents**

Shareholders can direct all correspondence to the Company's Registrar and Share Transfer Agent (for both physical and demat segments) with regard to dematerialization of shares, share transfers, transmission, change of address or any other query relating to the shares of the Company at the following address:

M/s. Link Intime India Pvt. Ltd.  
 44, Community Centre,  
 2nd Floor, Naraina Indl. Area, Phase-I,  
 New Delhi-110028  
 Ph. # 011- 41410592 to 94  
 Fax # 011- 41410591  
 Email Id.: delhi@linkintime.com  
 Website: www.linkintime.co.in

Contact Persons: Mr. Swapan Kumar Naskar  
 Mr. Shamwant Kushwaha

**x) Share Transfer System**

The share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agents and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Share Transfer Committee also considers the demat/remat requests including share transfer/transmission matters as and when the same are forwarded by the Registrar and Share Transfer Agents.

**xi) Pending Share Transfers**

No Share transfers were pending as on March 31, 2018.

**xii) Distribution of Shareholding**

The distribution of shareholding as on March 31, 2018 was as under:

Shareholding of Shares	Shareholders Number	%	Number of shares	%
1 to 500	1129	82.53	2,03,042	1.50
501 to 1000	141	10.31	1,20,062	0.89
1001 to 2000	45	3.29	71,738	0.53
2001 to 3000	18	1.32	45,572	0.34
3001 to 4000	4	0.29	13,655	0.10
4001 to 5000	7	0.51	31,198	0.23
5001 to 10000	3	0.22	18,662	0.14
10001 & above	21	1.53	1,30,17,751	96.27
<b>Total</b>	<b>1,368</b>	<b>100.00</b>	<b>1,35,21,680</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2018**

Category Code	Category of shareholder	Number of share holders	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group			
1	Indian	7	57,10,680	42.23
2	Foreign	-	-	-
Total Shareholding of Promoter and Promoter Group		<b>7</b>	<b>57,10,680</b>	<b>42.23</b>
(B)	Public Shareholding			
1	Institutions	-	-	-
2	Bodies Corporate	20	38,37,501	28.38
3	Non-Resident Indians/ Foreign Bodies Corporate	4	32,00,303	23.67
4	Resident Individuals and Others	1337	7,73,196	5.72
Total Public Shareholding		<b>1361</b>	<b>78,11,000</b>	<b>57.77</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
Total (A+B+C)		<b>1368</b>	<b>1,35,21,680</b>	<b>100.00</b>

**xiii) Dematerialization of Shares**

The Company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. As on March 31, 2018, a total of 30,29,517 Equity Shares representing 22.40% of the total paid-up capital of the Company were in dematerialized form. Members are advised to get their shares converted into demat mode.

The Company's ISIN No.: INE 970C01012

**xiv) Outstanding GDRs/ADRs /Warrants etc**

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2018.

**(xv) Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company has foreign exchange risk and the mitigation of the same is managed by entering into forward contracts to hedge the risk as per Company's policy. The details of foreign currency exposure as on March 31, 2018 are disclosed in Note No. 58 of the Financial Statement. The Company does not indulge in commodity hedging activities.

**xvi) Plant Location**

Plot No. "SPL-A" RIICO Industrial Area,  
Village - Keshwana, Tehsil - Kotputli,  
Distt. Jaipur (Rajasthan)  
PIN - 303 108

**xvii) Address for Correspondence**

Shree Krishna Paper Mills & Industries Ltd.  
4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi -110002.

Phone Nos.: 91-11-23261728, 46263200

Fax No.: 91- 11-23266708

E-mail ID: cs@skpmil.com, info@skpmil.com

Website: www.skpmil.com

**xviii) Corporate Identity Number**

L21012DL1972PLC279773

**15. DISCLOSURES**

- All transactions entered into with related parties during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at [www.skpmil.com](http://www.skpmil.com) at <http://www.skpmil.com/pagepdf/1459763367.pdf> link. The details of related party transactions during the year have been set out under Note No. 59 of Notes to Financial Statements.
- No strictures or penalties have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- The Board of Directors of the Company has approved a whistle blower policy/vigil mechanism to monitor the actions taken on complaints received under the said



- policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. The details of establishment of vigil mechanism are available on the website of the Company. No personnel have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) As the Company doesn't have any subsidiary under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement for adopting the Policy for determining 'material' subsidiaries is not applicable. Hence, no web link of the policy has been given in this report.
- f) During the financial year ended March 31, 2018, the Company did not engage in commodity hedging activities.
- g) In the preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- h) There is an inter-se relationship between two Directors of the Company. Mr. N. K. Pasari, Managing Director of the Company is the son of another Director, Mr. B. N. Pasari.
- i) The Company has laid down procedures to inform Board members about the risk assessment and its minimisation, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- j) The Company has fully complied with the applicable requirement specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Auditors' Certificate of Compliance with Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the members of,  
**Shree Krishna Paper Mills & Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For Radheshyam Sharma & Co.**  
Chartered Accountants  
Firm Registration No. 016172N

New Delhi  
May 30, 2018

**(CA Radheshyam Sharma)**  
Proprietor  
Membership No. 097127



### Declaration for compliance with Code of Conduct

I, N. K. Pasari, Managing Director of the Company declare that all the members of the Board of Directors and senior management personnel have, for the year ended March 31, 2018, affirmed compliance with the Code of Conduct as laid down by the Company in terms of Regulation 26(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Shree Krishna Paper Mills & Industries Ltd.

New Delhi  
May 30, 2018

**N. K. Pasari**  
Managing Director  
DIN: 00101426

### Certificate by Managing Director and Chief Financial Officer

The Board of Directors,  
Shree Krishna Paper Mills & Industries Limited

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and to the best of our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and intimated the steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(S. K. AGARWAL)**  
Chief Financial Officer

**(N. K. PASARI)**  
Managing Director  
DIN: 00101426

New Delhi  
May 30, 2018



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Shree Krishna Paper Mills & Industries Limited

### Report on the IND AS Financial Statements

We have audited the accompanying Ind AS financial statements of Shree Krishna Paper Mills & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

### Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit including Other Comprehensive Income, its cash flows and 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 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its

Ind AS financial statements – refer note no. 44 of the Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Radheshyam Sharma & Co.**  
Firm Registration No. 016172N  
Chartered Accountants

**(CA Radheshyam Sharma)**  
Proprietor  
Membership No.097127

New Delhi  
Date: May 30, 2018

## ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements", we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of Inventory except of goods-in-transit at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The goods-in-transit has been verified with reference to subsequent receipt of material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security or not made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provision of para 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the Rules framed there under. Therefore, the provision of para 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material





statutory dues, as applicable, with the appropriate authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2018 for a period more than six months from the date the same became payable.

- (b) According to the information and explanations given to us, there are no disputed dues of income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities other than those as mentioned below:

Nature of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Cess & Interest	0.19	2015-2016	Excise Appellate Authority
Pollution Control Board	Water Cess	6.70	01-06-2007 to 31-03-2013	Cess Appellate Committee
Central Excise Act, 1944	Excise Duty	315.94	19-01-2004 to 30-09-2014	Commissioner (Excise)
LADT - Haryana	Sales Tax	234.86	Various years	Hon'ble Supreme Court

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans/borrowings to the banks as on March 31, 2018.

The Company does not have any loan or borrowings from the other financial institution or Government, nor has the Company issued any debentures.

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, provisions under para 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.

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

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Radheshyam Sharma & Co.**  
Firm Registration No. 016172N  
Chartered Accountants

**(CA Radheshyam Sharma)**  
Proprietor  
Membership No.097127

New Delhi  
Date: May 30, 2018



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements", we report that:

### 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 Shree Krishna Paper Mills & Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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 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.

### Auditor's 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 Control 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 Ind AS 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.

### 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 Radheshyam Sharma & Co.  
Firm Registration No. 016172N  
Chartered Accountants

(CA Radheshyam Sharma)  
Proprietor  
Membership No.097127

New Delhi  
Date: May 30, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

Particulars	Note No.	(₹ in Lakhs)		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3 (a)	2,661.63	2,438.68	2,651.35
(b) Capital work-in-progress	3 (b)	310.92	325.53	53.41
(c) Financial Assets				
(i) Investments	4	129.16	132.94	128.74
(ii) Trade receivables	5	-	-	-
(iii) Loans	6	157.79	174.30	156.80
(iv) Others	7	15.03	15.03	3.62
(d) Deferred tax assets (net)	8	368.96	418.28	-
(e) Other non-current assets	9	16.19	27.58	5.91
<b>Total non-current assets</b>		<b>3,659.68</b>	<b>3,532.34</b>	<b>2,999.83</b>
<b>(2) Current assets</b>				
(a) Inventories	10	1,109.62	1,024.39	966.49
(b) Financial Assets				
(i) Trade receivables	11	2,190.40	1,572.40	2,400.43
(ii) Cash and cash equivalents	12	46.86	164.38	144.57
(iii) Bank balances other than (ii) above	13	87.06	83.56	86.94
(iv) Others	14	20.03	67.33	31.37
(c) Current Tax Assets (Net)	15	13.78	-	4.46
(d) Other current assets	16	759.81	745.66	539.32
<b>Total current assets</b>		<b>4,227.56</b>	<b>3,657.72</b>	<b>4,173.58</b>
<b>(3) Assets held for sale</b>	17	<b>190.23</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>8,077.47</b>	<b>7,190.06</b>	<b>7,173.41</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	18	1,352.17	1,352.17	1,352.17
(b) Other Equity	19	1,150.82	1,075.13	(1,306.97)
<b>Total equity</b>		<b>2,502.99</b>	<b>2,427.30</b>	<b>45.20</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	20	263.34	259.87	242.17
(ii) Trade payables	21	33.89	29.72	50.28
(iii) Other financial liabilities	22	107.63	99.39	110.93
(b) Provisions	23	145.88	137.72	131.31
<b>Total non-current liabilities</b>		<b>550.74</b>	<b>526.70</b>	<b>534.69</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	24	1,747.79	1,829.56	3,261.45
(ii) Trade payables	25	2,330.28	1,785.13	1,697.63
(iii) Other financial liabilities	26	568.57	423.75	1,522.69
(b) Other current liabilities	27	71.84	126.50	98.63
(c) Provisions	28	5.26	11.89	13.12
(d) Current Tax Liabilities (Net)	29	-	59.23	-
<b>Total current liabilities</b>		<b>4,723.74</b>	<b>4,236.06</b>	<b>6,593.52</b>
<b>(3) Liabilities classified for assets held for sale</b>	30	<b>300.00</b>	<b>-</b>	<b>-</b>
<b>Total Equity and Liabilities</b>		<b>8,077.47</b>	<b>7,190.06</b>	<b>7,173.41</b>
Significant accounting policies	2			

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**(CA Radheshyam Sharma)**

Proprietor

Membership No. 097127

New Delhi

May 30, 2018

For and on behalf of the Board of Directors

**S.K. Agarwal**  
Chief Financial Officer**N. K. Pasari**  
Managing Director  
DIN: 00101426**Sonam Katyal**  
Company Secretary  
Membership No. 33550**P. N. Singh**  
Director  
DIN: 00076392

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Note No.	(₹ in Lakhs)	
		Year ended March 31, 2018	Year ended March 31, 2017
<b>I) Revenue From Operations</b>	31	<b>13,665.98</b>	13,806.14
<b>II) Other Income</b>	32	<b>48.43</b>	146.72
<b>III) Total Income ( I + II )</b>		<b>13,714.41</b>	<b>13,952.86</b>
<b>IV) EXPENSES</b>			
Cost of materials consumed	33	<b>8,265.81</b>	7,912.01
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	<b>75.66</b>	(75.37)
Employee benefits expense	35	<b>810.55</b>	743.54
Finance costs	36	<b>308.93</b>	312.03
Depreciation and amortization expense	37	<b>312.32</b>	312.60
Excise duty	38	<b>30.47</b>	128.11
Other expenses	39	<b>4,286.81</b>	3,971.19
<b>Total expenses (IV)</b>		<b>14,090.55</b>	<b>13,304.11</b>
<b>V) Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>(376.14)</b>	648.75
<b>VI) Exceptional items</b>	40	<b>539.83</b>	1,771.35
<b>VII) Profit/(loss) before tax ( V + VI )</b>		<b>163.69</b>	2,420.10
<b>VIII) Tax expense</b>			
Current tax		<b>49.51</b>	463.48
Deferred tax		<b>92.52</b>	46.01
MAT credit entitlement		<b>(40.18)</b>	(463.48)
<b>Total tax expense (VIII)</b>	41(a)	<b>101.85</b>	46.01
<b>IX) Profit/(loss) for the year ( VII - VIII )</b>		<b>61.84</b>	2,374.09
<b>X) Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		<b>18.34</b>	3.81
(ii) Income tax relating to items that will not be reclassified to profit or loss	41(b)	<b>(0.71)</b>	-
B (i) Items that will be reclassified to profit or loss		<b>(3.78)</b>	4.20
(ii) Income tax relating to items that will be reclassified to profit or loss		<b>-</b>	-
<b>XI) Total Comprehensive Income for the year ( IX + X )</b> (comprising profit (loss) and other comprehensive income for the year)		<b>75.69</b>	2,382.10
<b>XII) Earnings per equity share of face value of ₹ 10/- each</b>			
(1) Basic (in ₹)	42	<b>0.46</b>	17.38
(2) Diluted (in ₹)	42	<b>0.46</b>	17.38
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
**For Radheshyam Sharma & Co.**  
 Firm Registration No. 016172N  
 Chartered Accountants

**(CA Radheshyam Sharma)**  
 Proprietor  
 Membership No. 097127

New Delhi  
 May 30, 2018

For and on behalf of the Board of Directors

**S.K. Agarwal**  
 Chief Financial Officer

**Sonam Katyal**  
 Company Secretary  
 Membership No. 33550

**N. K. Pasari**  
 Managing Director  
 DIN: 00101426

**P. N. Singh**  
 Director  
 DIN: 00076392

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

	Year ended March 31, 2018	(₹ in Lakhs) Year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before exceptional items and tax	(376.14)	648.75
Adjustments for :		
Depreciation and amortization expense	312.32	312.60
Finance costs	269.35	259.54
Dividend on 4% cumulative preference shares	-	19.51
Net gain on sale of property, plant and equipment	(0.36)	-
Interest income	(16.17)	(19.87)
Other non-operating income	(25.41)	(33.44)
Re-measurement of net defined benefit plans	18.34	3.81
Re-measurement of fair value of investment unlisted shares	(3.78)	4.20
Unrealised foreign exchange gain (net)	(4.69)	(2.94)
Provision for doubtful debts recovered ( net )	-	(1.05)
Provision of ECL	0.08	4.00
Excess provision w/back	(0.62)	(92.36)
Prior period adjustments	(1.18)	0.16
<b>Operating profit before working capital changes</b>	<b>171.74</b>	<b>1,102.91</b>
Adjustments for :		
Inventories	(85.23)	(57.90)
Trade and other receivables	(451.10)	577.62
Trade and other payables	430.81	75.96
<b>Cash from operating activities</b>	<b>66.22</b>	<b>1,698.59</b>
Income tax paid ( net of refunds )	(127.78)	(402.67)
<b>Cash flow before exceptional items</b>	<b>(61.56)</b>	<b>1,295.92</b>
Exceptional Items	-	1,771.35
<b>Net cash generated/(used in) operating activities</b>	<b>(61.56)</b>	<b>3,067.27</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(735.96)	(372.05)
Sale proceed of property, plant and equipment	565.27	-
Proceed from property, plant and equipment held for sale	300.00	-
Interest received	16.62	23.66
Adjustments for :		
Creditors for capital goods	76.83	31.13
Capital advances	11.39	(21.67)
Fixed deposits with banks	(3.50)	(6.23)
<b>Net cash generated/(used in) investing activities</b>	<b>230.65</b>	<b>(345.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long- term borrowings	(3.70)	(1,046.87)
Short-term borrowings (net)	(81.77)	(931.89)
Redemption of 4% cumulative preference shares	-	(500.00)
Interest paid	(201.14)	(223.54)
<b>Net cash used in financing activities</b>	<b>(286.61)</b>	<b>(2,702.30)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(117.52)</b>	<b>19.81</b>
<b>Opening balance of cash and cash equivalents</b>	<b>164.38</b>	<b>144.57</b>
<b>Closing balance of cash and cash equivalents</b>	<b>46.86</b>	<b>164.38</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**(CA Radheshyam Sharma)**

Proprietor

Membership No. 097127

New Delhi  
May 30, 2018

For and on behalf of the Board of Directors

**S.K. Agarwal**  
Chief Financial Officer

**N. K. Pasari**  
Managing Director  
DIN: 00101426

**Sonam Katyal**  
Company Secretary  
Membership No. 33550

**P. N. Singh**  
Director  
DIN: 00076392

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018****A. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at April 01, 2016	Changes during the year 2016-17	As at March 31, 2017	Changes during the year 2017-18	As at March 31, 2018
Equity share capital	1352.17	-	1352.17	-	1,352.17

**B. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Reserve and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit plans	Equity instruments through OCI	
As at April 01, 2016	22.97	565.49	-	(2,054.45)	31.55	127.47	(1,306.97)
Profit for the year	-	-	-	2374.09	-	-	2,374.09
Re-measurement of investments (unquoted)	-	-	-	-	-	4.20	4.20
Actuarial gain(loss) during the year	-	-	-	-	3.81	-	3.81
Total Comprehensive Income for the year	-	-	-	2,374.09	3.81	4.20	2,382.10
Transferred to Capital Redemption Reserve	-	-	500.00	(500.00)	-	-	-
Balance as at March 31, 2017	22.97	565.49	500.00	(180.36)	35.36	131.67	1,075.13
Profit for the year	-	-	-	61.84	-	-	61.84
Re-measurement of investments (unquoted)	-	-	-	-	-	(3.78)	(3.78)
Actuarial gain(loss) during the year	-	-	-	-	17.63	-	17.63
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>61.84</b>	<b>17.63</b>	<b>(3.78)</b>	<b>75.69</b>
<b>Balance as at March 31, 2018</b>	<b>22.97</b>	<b>565.49</b>	<b>500.00</b>	<b>(118.52)</b>	<b>52.99</b>	<b>127.89</b>	<b>1,150.82</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**(CA Radheshyam Sharma)**

Proprietor

Membership No. 097127

New Delhi

May 30, 2018

For and on behalf of the Board of Directors

**S.K. Agarwal**

Chief Financial Officer

**Sonam Katyal**

Company Secretary

Membership No. 33550

**N. K. Pasari**

Managing Director

DIN: 00101426

**P. N. Singh**

Director

DIN: 00076392



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### 1. CORPORATE INFORMATION

Shree Krishna Paper Mills & Industries Limited (hereinafter referred to as 'the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's equity shares are listed on the Bombay Stock Exchange. The Company is principally engaged in the manufacturing and selling of news print paper and other value-added papers.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 30, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of Indian Generally Accepted Accounting Principles (GAAP), which included Standards notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 and considered as "Previous GAAP". These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 01, 2016. Refer Note 55 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, performance and cash flows.

#### B. BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at their fair values at the end of each reporting period in accordance with the relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The figures for the year ended March 31, 2017 and Opening Balance Sheet as at April 01, 2016 have been restated as per the requirements of the applicable Ind AS for comparative information.

#### C. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Company's financial statements have been presented in Indian National Rupee (₹) and all values are rounded to the nearest Lakhs, except where otherwise indicated.

### D. FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as derivatives and investment, 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 categorised 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 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### E. USE OF ESTIMATES

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognized in the period in which results are ascertained.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

### F. PROPERTY, PLANT AND EQUIPMENT

The tangible items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price including non-refundable duties and taxes, net of rebate and discounts and borrowing costs for qualifying assets, including other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. Fully depreciated assets still in use are retained in financial statements.

Capital Work in Progress is stated at cost. Cost includes purchase price, net of taxes where applicable and all direct costs and borrowing costs attributable to qualifying assets till they are ready for their intended use.

### G. DEPRECIATION & AMORTIZATION

Depreciation on the property, plant and equipment (except for leasehold land) is provided on straight-line method ("SLM") over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold land is amortized on a straight line basis over the period of lease.

### H. BORROWING COST

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include of balances with banks which are unrestricted for withdrawal and usage.

### J. INVENTORIES

Inventories except scrap are valued at lower of cost and net realizable value after providing for obsolescence. Scrap is valued at net realizable value. Cost is determined on FIFO basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs (net of recoverable taxes and duties wherever applicable) including manufacturing overheads incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

### K. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue includes excise duty. However, sales tax/ value added tax (VAT)/ Goods and Service 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. The specific recognition criteria described below must also be met before revenue is recognized

- i) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

have passed to the buyer, usually on delivery of the goods. It is measured at the fair value of the consideration received or receivable, net of returns and trade discounts.

- ii) Interest income for all debt instruments measured at amortized cost is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. 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.

**L. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION**

Financial statements are presented in Indian Rupee, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary assets or liabilities are translated at exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit & loss. Financial instruments designated as Hedge Instruments are marked to market at the valuation existing on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Statement of Profit and Loss in the period in which they arise.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

The Company uses forward exchange contracts to hedge its exposure to the extent considered appropriate and premium or discount arising on such forward exchange contract is amortised as expense or income over the life of the contract. The unhedged forward contracts remaining unsettled at the year end are translated at the exchange rates prevailing on that date and the resulting gains or losses are recognized in the Statement of Profit and Loss.

**M. EMPLOYEE BENEFITS EXPENSE****i) Short term employee benefits**

Short-term employee benefits include employee benefits (other than termination benefits) which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service and are recognized as expense in the period in which the related service is rendered.

**ii) Post-employment benefits****a) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

**b) Defined benefit plans**

**Funded plan:** The Company has a defined benefit plan for post employment benefit in the form of gratuity, which is administered through Life Insurance Corporation of India (LIC), liability for which is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**iii) Other long term employee benefits**

Liability for compensated absences is provided on the basis of valuation as at the balance sheet date carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the projected unit credit (PUC) method.

- iv) Termination benefits are recognized as an expense as and when incurred.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- v) The actuarial gains and losses on defined benefit plans arising during the year are charged to the Other Comprehensive Income.

### N. TAX EXPENSES

Tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

#### Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 reassessed 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 by the end of the reporting period.

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

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Minimum Alternate Tax (MAT) is calculated as per Section 115 JB of the Income Tax Act, 1961 and is payable when tax as per it is higher than tax as per the normal provisions of the Act. Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### O. EARNINGS PER SHARE

Basic Earnings Per Share (EPS) is computed by dividing the net profit or loss after tax less dividend distribution tax attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential equity shares.

### P. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where a provision is measured using the cash flows estimates to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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

### Q. LEASES

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

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

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 except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

### R. IMPAIRMENT OF ASSETS

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### S. DERIVATIVE FINANCIAL INSTRUMENTS

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

### T. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

recognition of financial asset or financial liability.

### (i) Financial Assets

#### Initial 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.

#### Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial Assets At Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the Company has elected an irrevocable option to present value changes in OCI.

### (ii) Financial Liabilities and Equity instruments

All financial liabilities are recognized at fair value at initial recognition and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial Liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Equity Instruments

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

#### **Derecognition of Financial Instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset and has substantially transferred all the risks and rewards of ownership of the financial assets.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **Impairment of Financial Assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

### U. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be conducted within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet

### V. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

#### **Amendments to Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. On transition, the effect of this changes is not expected to be material for the Company.

#### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the changes in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company will adopt the new standard on the required effective date. On transition, the effect of this changes is not expected to be material for the Company.

#### **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

### W. CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

#### Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a materially adverse impact on our financial position or profitability.

#### Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes.

#### Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

#### Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**3) PROPERTY, PLANT AND EQUIPMENT**

**(a) Property, plant and equipment**

(₹ in Lakhs)

Description	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
	Free hold	Lease hold							
<b>Gross carrying amount</b>									
As at April 01, 2016	114.09	174.94	1,365.28	6,980.93	21.84	94.27	50.67	63.07	8,865.09
Additions	-	-	13.77	84.53	-	-	0.37	1.26	99.93
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2017	114.09	174.94	1,379.05	7,065.46	21.84	94.27	51.04	64.33	8,965.02
As at April 01, 2017	114.09	174.94	1,379.05	7,065.46	21.84	94.27	51.04	64.33	8,965.02
Additions	-	-	203.77	536.76	0.29	6.94	1.62	1.19	750.57
Reclassified as held for sale	114.09	-	350.90	-	-	-	-	-	464.99
Deductions/Adjustments	-	-	-	226.63	-	6.86	-	-	233.49
<b>As at March 31, 2018</b>	<b>-</b>	<b>174.94</b>	<b>1,231.92</b>	<b>7,375.59</b>	<b>22.13</b>	<b>94.35</b>	<b>52.66</b>	<b>65.52</b>	<b>9,017.11</b>
<b>Accumulated depreciation:</b>									
As at April 01, 2016	-	24.63	607.94	5,431.17	20.21	26.96	44.05	58.78	6,213.74
Additions	-	1.77	40.78	255.91	0.25	11.21	1.79	0.89	312.60
Eliminated on assets held for sale	-	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	26.40	648.72	5,687.08	20.46	38.17	45.84	59.67	6,526.34
As at April 01, 2017	-	26.40	648.72	5,687.08	20.46	38.17	45.84	59.67	6,526.34
Additions	-	1.78	33.79	263.27	0.07	11.19	1.33	0.89	312.32
Eliminated on assets held for sale	-	-	262.59	-	-	-	-	-	262.59
Deductions/Adjustments	-	-	-	216.14	-	4.45	-	-	220.59
<b>As at March 31, 2018</b>	<b>-</b>	<b>28.18</b>	<b>419.92</b>	<b>5,734.21</b>	<b>20.53</b>	<b>44.91</b>	<b>47.17</b>	<b>60.56</b>	<b>6,355.48</b>
<b>Net Block</b>									
As at April 01, 2016	114.09	150.31	757.34	1,549.76	1.63	67.31	6.62	4.29	2,651.35
As at March 31, 2017	114.09	148.54	730.33	1,378.38	1.38	56.10	5.20	4.66	2,438.68
<b>As at March 31, 2018</b>	<b>-</b>	<b>146.76</b>	<b>812.00</b>	<b>1,641.38</b>	<b>1.60</b>	<b>49.44</b>	<b>5.49</b>	<b>4.96</b>	<b>2,661.63</b>

**(b) Capital work-in-progress**

(₹ in Lakhs)

<b>As at April 01, 2016</b>	
Plant and Equipment under erection	53.41
Buildings under construction	-
	53.41
<b>As at March 31, 2017</b>	
Plant and Equipment under erection	244.56
Buildings under construction	80.97
	325.53
<b>As at March 31, 2018</b>	
Plant and Equipment under erection	304.26
Buildings under construction	6.66
	310.92

Notes:

- Addition in Plant and Equipment includes ₹ 0.30 lakhs (March 31, 2017 ₹ Nil; April 1, 2016 ₹ 0.47 Lakhs) on account of foreign exchange difference during the year.
- Out of assets reclassified as held for sale of ₹ 202.40 lakhs, assets of ₹ 12.17 lakhs has been sold.
- Refer note no. 44 (II) for details of contractual commitments.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 01, 2016</u>
	(₹ in Lakhs)		
<b>4) NON-CURRENT FINANCIAL ASSETS - INVESTMENTS</b>			
Investments in Equity instruments (fully paid)			
<b>Quoted</b>			
Investments at fair value through profit or loss			
300 (March 31, 2017: 300, April 01, 2016: 300) Equity Shares of ₹10/- each of Sarda Papers Ltd.	0.02	0.03	0.04
300 (March 31, 2017: 300, April 01, 2016: 300) Equity Shares of ₹10/- each of Soma Papers & Industries Ltd.	0.05	0.04	0.03
<b>Un-quoted</b>			
Investment carried at fair value through other comprehensive income			
20,990 (March 31, 2017: 20,990, April 01, 2016: 20,990) Equity shares of ₹ 10/- each of Bishwanath Industries Ltd.	129.09	132.87	128.67
	<u>129.16</u>	<u>132.94</u>	<u>128.74</u>
Aggregate amount of quoted investments ₹ 0.07 lakhs (March 31, 2017 ₹ 0.07 lakhs; April 01, 2016 ₹ 0.07 lakhs)			
Aggregate market value of quoted investments ₹ 0.07 lakhs (March 31, 2017 ₹ 0.07 lakhs; April 01, 2016 ₹ 0.07 lakhs)			
Aggregate amount of un-quoted investments ₹ 129.09 lakhs (March 31, 2017 ₹ 132.87 lakhs; April 01, 2016 ₹ 128.67 lakhs)			
	(₹ in Lakhs)		
	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 01, 2016</u>
<b>5) NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>			
<b>Unsecured</b>			
Considered good	-	-	-
Considered doubtful	6.30	6.30	6.30
	6.30	6.30	6.30
Less: Loss allowance for bad and doubtful debts	6.30	6.30	6.30
	<u>-</u>	<u>-</u>	<u>-</u>
<b>6) NON-CURRENT FINANCIAL ASSETS - LOANS (Unsecured, considered good )</b>			
Carried at amortised cost			
Security deposits*	157.79	174.30	156.80
	<u>157.79</u>	<u>174.30</u>	<u>156.80</u>
* Above security deposits are Interest bearing.			
<b>7) NON-CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good )</b>			
Carried at amortised cost			
Security deposits	3.62	3.62	3.62
Fixed deposit with banks (remaining maturity more than 12 months)*	11.41	11.41	-
	<u>15.03</u>	<u>15.03</u>	<u>3.62</u>
*pledged with bank as margin against bank guarantees			
<b>8) DEFERRED TAX ASSETS (NET)</b>			
<b>Deferred tax assets</b>			
Current tax loss	30.40	18.78	119.32
Deductible temporary differences	17.23	37.68	59.33
MAT credit entitlement	507.50	464.29	-
<b>Total deferred tax assets</b>	<u>555.13</u>	<u>520.75</u>	<u>178.65</u>
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(186.17)	(102.47)	(178.65)
<b>Deferred tax assets/(liabilities) net</b>	<u>368.96</u>	<u>418.28</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Movement in deferred tax assets/(liabilities)					(₹ in Lakhs)
Particulars	Current tax loss	Deductible temporary differences	MAT credit entitlement	Property, plant and equipment	Deferred tax assets/(liabilities) net
As at April 01, 2016	119.32	59.33	-	(178.65)	-
(Charged)/credited to profit or loss	(100.54)	(21.65)	-	76.18	(46.01)
MAT credit entitlement credited to profit or loss	-	-	463.48	-	463.48
MAT credit entitlement credited to other comprehensive income	-	-	0.81	-	0.81
As at March 31, 2017	18.78	37.68	464.29	(102.47)	418.28
(Charged)/credited to profit or loss	11.62	(20.45)	-	(83.70)	(92.52)
MAT credit entitlement credited to profit or loss	-	-	40.18	-	40.18
MAT credit entitlement credited to other comprehensive income	-	-	3.03	-	3.03
<b>As at March 31, 2018</b>	<b>30.40</b>	<b>17.23</b>	<b>507.50</b>	<b>(186.17)</b>	<b>368.96</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>9) OTHER NON-CURRENT ASSETS</b> (Unsecured, considered good)			
Capital advances	16.19	27.58	5.91
	<u>16.19</u>	<u>27.58</u>	<u>5.91</u>
<b>10) INVENTORIES</b> (Valued at lower of cost and net realisable value)			
Raw materials *	675.26	522.37	559.21
Work-in-progress	15.44	23.52	12.62
Finished goods	167.86	235.44	170.97
Stores and spares **	251.06	243.06	223.69
	<u>1,109.62</u>	<u>1,024.39</u>	<u>966.49</u>
Including goods in transit of :			
*₹ 33.53 lakhs (March 31, 2017 ₹ 65.88 lakhs; April 01, 2016 ₹ 177.65 lakhs) in Raw materials			
**₹ 10.14 lakhs (March 31, 2017 ₹ Nil; April 01, 2016 ₹ Nil) in Stores and spares			
<b>11) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b> Unsecured			
Considered good	2,206.20	1,588.12	2,412.15
Considered doubtful	14.30	14.30	15.46
	<u>2,220.50</u>	<u>1,602.42</u>	<u>2,427.61</u>
Less: Loss allowance for bad and doubtful debts/expected credit loss	30.10	30.02	27.18
	<u>2,190.40</u>	<u>1,572.40</u>	<u>2,400.43</u>
<b>12) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>			
Balances with banks - in current accounts	42.11	159.61	140.94
Cash on hand	4.75	4.77	3.63
	<u>46.86</u>	<u>164.38</u>	<u>144.57</u>
<b>13) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS AS ABOVE</b>			
Fixed deposit with bank (maturing within 12 months)			
Pledged with bank as margin against Letter of Credit and Bank Guarantee)*	87.06	56.15	49.92
Others	-	27.41	37.02
	<u>87.06</u>	<u>83.56</u>	<u>86.94</u>
*includes ₹ Nil (March 31, 2017 ₹ Nil; April 01, 2016 ₹ 9.02 lakhs) having an original maturity of more than 12 months			



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>14) CURRENT FINANCIAL ASSETS - OTHERS</b> (Unsecured, considered good)			
Interest receivable	12.94	13.39	17.18
Security deposits	6.60	5.20	12.53
Other receivables	0.27	48.74	1.66
Forward contracts receivable	0.22	-	-
	<u>20.03</u>	<u>67.33</u>	<u>31.37</u>
<b>15) CURRENT TAX ASSETS (NET)</b>			
Advance income tax and tax deducted at source (net of provision)	13.78	-	4.46
	<u>13.78</u>	<u>-</u>	<u>4.46</u>
<b>16) OTHER CURRENT ASSETS</b> (Unsecured, considered good)			
Advance to suppliers*	52.87	106.66	43.56
Employees' advances	2.41	1.71	2.22
Balance with statutory authorities	427.32	366.51	224.79
Deposit with government authorities	252.01	252.01	252.00
Prepaid expenses	21.12	14.69	12.67
Income tax refundable	4.08	4.08	4.08
	<u>759.81</u>	<u>745.66</u>	<u>539.32</u>
*Including ₹ 8.80 lakhs (March 31, 2017 ₹ 16.48 lakhs; April 01, 2016 ₹ 7.56 lakhs) with related party			
<b>17) ASSETS HELD FOR SALE</b>			
Land and building* [refer note no. 3 (ii)]	190.23	-	-
	<u>190.23</u>	<u>-</u>	<u>-</u>
In June 2017, the Company has decided to dispose of land and building of its shut plant situated at Bahadurgarh. The transaction for sale is in process and is to be completed within the next financial year.			
<b>18) EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
2,00,00,000 (March 31, 2017: 2,00,00,000, April 01, 2016: 2,00,00,000) Equity shares of ₹10/- each	2,000.00	2,000.00	2,000.00
5,00,000 (March 31, 2017: 5,00,000, April 01, 2016: 5,00,000) 4% Cumulative redeemable preference shares of ₹100/- each	500.00	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, subscribed and fully paid</b>			
<b>Equity share capital</b>			
1,35,21,680 (March 31, 2017: 1,35,21,680, April 01, 2016: 1,35,21,680) Equity shares of ₹10/- each	1,352.17	1,352.17	1,352.17
	<u>1,352.17</u>	<u>1,352.17</u>	<u>1,352.17</u>

## (a) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>Equity shares of ₹ 10/- each</b>						
Balance at the beginning of the year	1,35,21,680	1,352.17	1,35,21,680	1,352.17	1,35,21,680	1,352.17
Issued during the year	-	-	-	-	-	-
Balance at the end of the year	<u>1,35,21,680</u>	<u>1,352.17</u>	<u>1,35,21,680</u>	<u>1,352.17</u>	<u>1,35,21,680</u>	<u>1,352.17</u>

## (b) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares referred to as equity shares having at par value of ₹ 10/- each. Each shareholder is entitled to one vote per share. In the event of liquidation, the equity-holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(c) Shareholders holding more than 5% of shares:

Equity shares of ₹ 10/- each	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
M/s. Bishwanath Industries Ltd.	20,47,300	15.14	20,47,300	15.14	20,47,300	15.14
Mr. Vijay Kumar Gupta	20,00,000	14.79	20,00,000	14.79	20,00,000	14.79
M/s. Bishwanath Traders & Investments Ltd.	16,71,080	12.36	16,71,080	12.36	16,71,080	12.36
M/s. Govinda Power & Products Pvt. Ltd.	14,00,000	10.35	14,00,000	10.35	14,00,000	10.35
M/s. WPS PTE Ltd.	12,00,000	8.87	12,00,000	8.87	12,00,000	8.87
M/s. SKCS Finvest Pvt. Ltd.	10,14,850	7.51	10,14,850	7.51	10,14,850	7.51
Mr. Birender Kumar Pasari	9,10,000	6.73	9,10,000	6.73	9,10,000	6.73
M/s. Gopala Sales Pvt. Ltd.	7,50,000	5.55	7,50,000	5.55	7,50,000	5.55
M/s. Bijay Paper Traders Ltd.	7,47,100	5.53	7,47,100	5.53	7,47,100	5.53

(₹ in Lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
<b>19) OTHER EQUITY</b>						
<b>(i) Reserves and Surplus</b>						
<b>(a) Capital Reserve</b>						
Balance as per last balance sheet		22.97		22.97	25.33	
Less: Transferred to retained earnings					(2.36)	22.97
<b>(b) Securities Premium Account</b>						
Balance as per last balance sheet		565.49		565.49		565.49
<b>(c) Other Reserve</b>						
<b>Capital Redemption Reserve</b>						
Balance as per last balance sheet		500.00	-	-	-	-
Add: Transferred from surplus in statement of Profit and Loss			500.00	500.00		
<b>(d) Retained Earnings</b>						
Balance/(Deficit) as per last balance sheet	(180.36)		(2,054.45)		(2,656.72)	
Add: Profit for the year	61.84		2,374.09		245.68	
Add: Profit on re-measurement of financial assets/liabilities	-		-		385.78	
Add: Transferred from Capital Reserve	-		-		2.36	
Less: Transferred to Other Comprehensive Income	-		-		(31.55)	
Less: Transferred to Capital Redemption Reserve	-	(118.52)	(500.00)	(180.36)	-	(2,054.45)
<b>(ii) Item of Other Comprehensive Income</b>						
<b>(a) Re-measurements of defined benefit plans</b>						
Balance as per last balance sheet	35.36		31.55		-	
Add: Actuarial gain/(loss) during the year	17.63		3.81		-	
Add: Transferred from surplus in statement of Profit and Loss	0.00	52.99	0.00	35.36	31.55	31.55
<b>(b) Re-measurements of investments in Equity instruments (unquoted)</b>						
Balance as per last balance sheet	131.67		127.47		-	
Add: Re-measurement of investments	(3.78)	127.89	4.20	131.67	127.47	127.47
		<b>1,150.82</b>		<b>1,075.13</b>		<b>(1,306.97)</b>

**Nature and purpose of reserves**

- i) Capital redemption reserve was created for redemption of 4% Cumulative Redeemable Preference Shares of ₹ 100/- each. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.
- ii) Securities premium was created to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.
- iii) FVOCI equity investments:  
The company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>20) NON-CURRENT FINANCIAL LIABILITES - BORROWINGS</b>			
Measured at amortized cost			
<b>Secured</b>			
Vehicle loan	-	3.70	10.69
<b>Unsecured</b>			
Loans from related parties [refer note no 59(v)]	263.34	237.80	215.13
Loans from other bodies corporate	-	18.37	16.35
	<u>263.34</u>	<u>259.87</u>	<u>242.17</u>

**Details of security and other terms:**

(a) Current maturities of long term borrowings ₹ 64.64 lakhs (March 31, 2017 ₹ 10.07 lakhs; April 01, 2016 ₹ 1049.95 lakhs) are taken under current financial liabilities others (refer note no. 26)

(b) Term loans from banks (amount lying in current maturity of long term debt), under consortium arrangement having Bank of India as lead bank, are secured by first pari - passu charge on all movable and immovable property (other than current assets) of Kotputli unit both present and future and by personal guarantee of two Directors of the Company.

(c) Vehicle loan is secured by hypothecation of vehicle and year wise maturity amount is as under:-

	2018-19	Total
<u>Outstanding as at March 31, 2017</u>		
Amount (₹ in Lakhs)	3.70	3.70
No. of Instalments	6	6
<u>Outstanding as at April 01, 2016</u>		
Amount (₹ in Lakhs)	6.99	10.69
No. of Instalments	12	18

(d) Unsecured loans are repayable on March 31, 2027. However, the Company has the option to pay before maturity by giving prior notice of 30 days.

(e) The above loans carry varying rates of interest with the maximum rate of interest going upto 12.00% (previous year 10.50%).

	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
<b>21) NON-CURRENT FINANCIAL LIABILITES - TRADE PAYABLES</b>			
Measured at amortized cost			
Due to micro enterprises and small enterprises (refer note no 48)	-	-	-
Due to other than of micro enterprises and small enterprises	33.89	29.72	50.28
	<u>33.89</u>	<u>29.72</u>	<u>50.28</u>

**22) NON-CURRENT FINANCIAL LIABILITES - OTHERS**

Measured at amortized cost

Deposits from dealers and contractors	68.70	65.26	81.00
Creditors for capital goods	26.87	23.56	20.66
Interest accrued	12.06	10.57	9.27
	<u>107.63</u>	<u>99.39</u>	<u>110.93</u>

**23) NON-CURRENT PROVISIONS**

Provision for employee benefits (refer note no 45)

Gratuity	126.64	119.76	114.39
Leave encashment	19.24	17.96	16.92
	<u>145.88</u>	<u>137.72</u>	<u>131.31</u>

**24) CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**Secured**

Loans repayable on demand

Cash credit from banks	1,572.17	1,816.32	2,761.45
Buyer's credit facilities from banks	175.62	13.24	-
4% Cumulative redeemable preference shares of ₹100/- each	-	-	500.00
Nil (March 31, 2017: Nil; April 01, 2016: 5,00,000)			
	<u>1,747.79</u>	<u>1,829.56</u>	<u>3,261.45</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****Details of security and other terms:**

- (a) Cash credit facilities/buyer's credit facilities from banks under consortium arrangement having Bank of India as lead bank, are secured by first pari - passu charge on hypothecation of inventories and receivables and all other current assets of the Company, collaterally secured by second pari - passu charge on the entire movable and immovable assets of the Company both present and future and personal guarantee of two Directors of the Company.
- (b) Cash credit facilities are also collaterally secured by pledge of 48,20,400 equity shares (previous year 48,20,400) held by the promoter and promoter group.
- (c) Maximum rate of interest on cash credit facilities was 10.90% per annum (previous year 10.95% per annum).
- (d) The Company had one class of preference shares referred to as preference shares redeemable at par value of ₹100 each. These shares carry a fixed cumulative dividend of 4% per annum and a preferential right in respect of dividend and capital over equity shareholders. As stipulated, the preference shares have been redeemed in March, 2017.

	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
<b>25) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>			
Due to micro enterprises and small enterprises (refer note no 48)	-	-	-
Due to other than of micro enterprises and small enterprises			
Acceptances	64.71	135.71	167.39
Other than acceptances	2,265.57	1,649.42	1,530.24
	<u>2,330.28</u>	<u>1,785.13</u>	<u>1,697.63</u>
<b>26) CURRENT FINANCIAL LIABILITIES - OTHERS</b>			
Current maturities of long term debt (refer note below)	64.64	10.07	1,049.95
Interest accrued	146.60	146.74	137.82
Other payables			
Due to employees	118.19	92.34	90.03
Creditors for capital goods	109.81	32.98	1.85
Expenses payable	129.33	137.36	240.80
Currency forward account	-	4.26	2.24
	<u>568.57</u>	<u>423.75</u>	<u>1,522.69</u>
The term loan instalments due on March 31, 2016 were not paid on its due date as the Company had submitted restructuring proposal to the banks. However, the same was paid since the close of the financial year.			
<b>27) OTHER CURRENT LIABILITIES</b>			
Advance from customers	50.88	102.33	84.30
Statutory dues	20.96	24.17	14.33
	<u>71.84</u>	<u>126.50</u>	<u>98.63</u>
<b>28) CURRENT PROVISIONS</b>			
Provision for employee benefits (refer note no 45)			
Gratuity	-	6.47	7.89
Leave encashment	5.26	5.42	5.23
	<u>5.26</u>	<u>11.89</u>	<u>13.12</u>
<b>29) CURRENT TAX LIABILITIES (NET)</b>			
Provision for taxation (net of advance tax and TDS)	-	59.23	-
	<u>-</u>	<u>59.23</u>	<u>-</u>
<b>30) LIABILITIES CLASSIFIED FOR ASSETS HELD FOR SALE</b>			
Advance against sale of Land and Building	300.00	-	-
	<u>300.00</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	Year Ended March 31, 2018	(₹ in Lakhs) Year Ended March 31, 2017
<b>31) REVENUE FROM OPERATIONS</b>		
Sale of products (including excise duty)	13,557.07	13,685.45
Other operating revenues - scrap sale & others	108.91	120.69
	<u>13,665.98</u>	<u>13,806.14</u>
<b>32) OTHER INCOME</b>		
Interest income on:		
Security deposits	9.14	10.49
Financial assets measured at amortized cost	-	-
Fixed deposit with banks	7.03	9.28
Others	-	0.10
	<u>16.17</u>	<u>19.87</u>
Other non-operating income		
Excess provision w/back	0.62	92.36
Foreign exchange rate fluctuations (net)	14.02	2.84
Provision for doubtful debts w/back	-	1.05
Profit on sale of property, plant and equipment	0.36	-
Miscellaneous income	17.26	10.03
Gain on re-measurement of financial assets/liabilities at amortized cost (net)	-	20.57
	<u>48.43</u>	<u>146.72</u>
<b>33) COST OF MATERIALS CONSUMED</b>		
Waste paper	7,521.59	7,130.69
Base paper	-	6.68
Chemicals	744.22	774.64
	<u>8,265.81</u>	<u>7,912.01</u>
<b>34) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished goods	235.44	170.97
Work-in-progress	23.52	12.62
	<u>258.96</u>	<u>183.59</u>
<b>Closing Stock</b>		
Finished goods	167.86	235.44
Work-in-progress	15.44	23.52
	<u>183.30</u>	<u>258.96</u>
	<u>75.66</u>	<u>(75.37)</u>
<b>35) EMPLOYEE BENEFITS EXPENSE</b>		
Salary and wages	710.11	640.85
Contribution to provident and other funds	75.99	55.42
Staff welfare expenses	24.45	47.27
	<u>810.55</u>	<u>743.54</u>
<b>36) FINANCE COSTS</b>		
Interest	267.83	259.54
Interest on income tax	1.52	-
Dividend on 4% Cumulative redeemable preference shares	-	19.51
Net (gain)/loss on exchange differences	(0.79)	(0.76)
Other borrowing costs	40.37	33.74
	<u>308.93</u>	<u>312.03</u>
<b>37) DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on property, plant and equipment (refer note no 3)	312.32	312.60
	<u>312.32</u>	<u>312.60</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	(₹ in Lakhs)	
	Year Ended	Year Ended
	March 31, 2018	March 31, 2017
<b>38) EXCISE DUTY</b>		
Excise duty on sale	40.12	118.94
Excise duty on stock (net)	(9.65)	9.17
	<u>30.47</u>	<u>128.11</u>
<b>39) OTHER EXPENSES</b>		
Stores and spares consumed	280.03	261.21
Power and fuel	3,006.32	2,853.30
Packing materials	261.61	253.46
Contract charges for services	248.37	213.99
Rent	3.29	4.81
Repairs		
Buildings	11.48	2.50
Machinery	65.07	38.07
Others	-	-
Insurance	7.59	7.18
Rates and taxes	9.52	13.54
Cost auditor's remuneration		
Cost audit fees	0.75	0.82
Out of pocket expenses	-	0.05
Auditor's remuneration		
For audit fees	0.85	0.84
For tax audit fees	0.25	0.28
For other services	0.23	0.10
Expenditure towards Corporate Social Responsibility (refer note no 43)	30.68	-
Prior period adjustments	-	0.16
Loss on re-measurement of financial assets/liabilities at FVTPL (net)	0.01	-
Expected credit loss	0.08	4.00
Miscellaneous expenses	360.68	316.88
	<u>4,286.81</u>	<u>3,971.19</u>

**40) EXCEPTIONAL ITEMS**

	(₹ in Lakhs)	
Particulars	2017-2018	2016-2017
Profit on sale of a portion of Bahadurgarh land and building	539.83	-
Refund of modvat/cess from excise department pertaining to earlier years	-	1,678.26
Re-credited of cenvat of excise and input service pertaining to earlier years	-	93.09
<b>Total</b>	<b>539.83</b>	<b>1,771.35</b>

**41) TAX EXPENSE****(a) Amount recognised in Statement of Profit and Loss**

	(₹ in Lakhs)	
Particulars	2017-2018	2016-2017
Current tax	49.51	463.48
Deferred tax	92.52	46.01
MAT credit entitlement	(40.18)	(463.48)
<b>Total</b>	<b>101.85</b>	<b>46.01</b>

**(b) Income tax expense/(benefit) recognised in Other Comprehensive Income**

	(₹ in Lakhs)	
Particulars	2017-2018	2016-2017
Tax effect on actuarial gains/losses on defined benefit obligations	3.74	0.81
MAT credit entitlement on above	(3.03)	(0.81)
<b>Total</b>	<b>0.71</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**
**(c) Income tax reconciliation**

(₹ in Lakhs)

Particulars	2017-2018	2016-2017
Profit before tax	163.69	2,420.10
Enacted tax rate (%)*	33.063%	34.608%
Computed expected tax expense	54.12	837.55
Difference in depreciation for income tax purpose	(20.70)	14.60
Other items giving rise to temporary differences	83.71	(76.18)
Tax effect due to brought forwarded losses	(11.63)	100.55
Effect due to non deductible expenses	59.76	19.57
Effect due to deductible expenses	(17.03)	(45.95)
Effect of tax payable under MAT	32.85	(362.30)
Other temporary differences	20.44	21.65
MAT credit benefit	(40.18)	(463.48)
Tax effect which is chargeable at different rate	(59.49)	-
<b>Total</b>	<b>101.85</b>	<b>46.01</b>

\*The variation in enacted tax rate is due to lower surcharge @ 7.00 % in 2017-18 as compared to 12.00% in 2016-17

**42) EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars	2017-2018	2016-2017
Profit after Tax	61.84	2,374.09
Less: Dividend distribution tax	-	(23.96)
Profit attributable to equity shareholders	61.84	2,350.13
Weighted average number of equity shares	1,35,21,680	1,35,21,680
Basic and Diluted earnings per share (₹)	0.46	17.38
Nominal value of an equity share (₹)	10.00	10.00

**43) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY**

(₹ in Lakhs)

Particulars	2017-2018	2016-2017
(a) Gross amount required to be spent during the year	18.40	-
(b) Amount spent during the year		
(i) On construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	30.68	-
<b>Total amount spent during the year</b>	<b>30.68</b>	<b>-</b>

**44) CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
(l) Contingent liabilities			
(a) Claims against the Company not acknowledged as debt			
Central excise duty and service tax matters	316.13	316.22	338.48
Custom duty matters	363.10	363.10	228.14
Water cess	6.70	6.70	6.70
Provident fund	-	4.04	-
Sales tax matters	234.86	234.86	234.86
- Show Cause notices issued by the Excise Department for recovery of ₹ 4043.51 lakhs has adjudicated and demand of ₹ 3,727.57 lakhs has been dropped. Remaining demand of ₹ 315.94 lakhs has confirmed along with the penalty thereon. The Company has filed appeal before the Hon'ble CESTAT.			



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
- Customs Duty matter relates to demand of ₹163.10 lakhs and penalty and fine of ₹ 200.00 lakhs. The appeal has been filed before Hon'ble CESTAT. The amount of ₹250.00 lakhs is already lying deposited under protest with Custom Department.			
- The other contingent liabilities have been disputed by the Company before respective authorities on account of classification, rates and applicability.			
- Based on the legal advices, the Company is reasonably certain that the outcome of these proceedings shall not have a material impact on its financial statements.			
(b) Other money for which the Company is contingently liable			
Right of recompense under CDR package	989.82	949.26	869.99
(II) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	112.26	260.28	24.90

## 45) EMPLOYEE BENEFITS

## a) Post retirement benefits : Defined contribution plans

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(₹ in Lakhs)

Sl. No.	Particulars	2017-2018	2016-2017
1	Contribution to employee's provident fund	14.56	12.36
2	Contribution to employee's family pension fund	19.91	18.84
	<b>Total</b>	<b>34.47</b>	<b>31.20</b>

## b) Defined benefit plans

## (A) Gratuity (Funded)

(₹ in Lakhs)

	March 31, 2018	March 31, 2017	April 01, 2016
<b>i. Changes in the present value of obligation</b>			
a. Present value of obligation at the beginning of the year	150.44	135.28	-
b. Interest cost	10.98	10.55	-
c. Current service cost	33.39	15.40	-
d. Benefits paid	(4.45)	(7.03)	-
e. Actuarial (gain)/loss:			
due to change in financial assumptions	(5.20)	5.00	-
due to experience variance	(12.61)	(8.76)	-
f. Present value of obligation at the end of the year.	172.55	150.44	135.28
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>ii. Changes in the fair value of plan assets</b>			
a. Present value of plan assets at the beginning of the year	24.21	13.00	-
b. Expected return on plan assets	1.77	1.08	-
c. Actuarial gain/(loss)	0.53	0.05	-
d. Employer's contributions	23.85	17.11	-
e. Benefit paid	(4.45)	(7.03)	-
f. Fair value of plan assets at the end of the year	45.91	24.21	13.00
	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>iii. Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets</b>			
a. Present value of obligation at the end of the year	172.55	150.44	135.28
b. Fair value of plan assets at the end of the year	45.91	24.21	13.00
c. Net (asset)/liability recognized in the balance sheet	126.64	126.23	122.28



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

		March 31, 2018	March 31, 2017	
<b>iv.</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss</b>			
a.	Current service cost	33.39	15.40	
b.	Interest cost	10.98	10.55	
c.	Expected return on plan assets	(1.77)	(1.08)	
e.	Total expenses recognized in the Statement of Profit & Loss	42.60	24.87	
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	
<b>v.</b>	<b>Amount recognized in other comprehensive income</b>			
a.	Actuarial gain/(loss) on liabilities	17.81	3.76	
b.	Actuarial gain/(loss) on assets	0.53	0.05	
c.	Net gain/(loss) recognized in other comprehensive income	18.34	3.81	
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>vi.</b>	<b>Percentage of each category of plan assets to total fair value of plan assets as at end of the year</b>	%	%	%
a.	Insurer managed funds	100	100	100
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>vii.</b>	<b>Actuarial assumption</b>	%	%	%
a.	Discount rate	7.75	7.30	7.80
b.	Expected rate of return on plan assets	7.30	8.25	8.35
c.	Salary escalation rate	10.00	10.00	10.00
(₹ in Lakhs)				
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>viii.</b>	<b>Sensitivity analysis</b>			
a.	Impact due to increase of 0.50% in discount rate	(5.38)	(5.33)	(4.65)
b.	Impact due to decrease of 0.50% in discount rate	5.80	5.77	5.02
c.	Impact due to increase of 1.00% in salary inflation rate	11.21	10.83	9.46
d.	Impact due to decrease of 1.00% in salary inflation rate	(10.27)	(9.62)	(8.47)
e.	Impact due to increase of 5.00% in withdrawal rate	(7.85)	(8.20)	(5.92)
f.	Impact due to decrease of 5.00% in withdrawal rate	14.51	16.12	11.40
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>ix.</b>	<b>Maturity profile of defined benefit obligation</b>			
a.	1st following year	40.78	28.50	25.90
b.	2nd following year	39.31	30.38	27.92
c.	3rd following year	9.49	7.76	8.82
d.	4th following year	16.58	8.53	7.36
e.	5th following year	10.08	16.20	7.77
f.	After 6th following year	238.41	225.95	219.70
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>x</b>	<b>The expected contributions for Defined Benefit Plan</b>	<b>30.83</b>	<b>27.56</b>	<b>25.58</b>

**(B) Leave encashment (Unfunded)**

(₹ in Lakhs)

		March 31, 2018	March 31, 2017	April 01, 2016
<b>i.</b>	<b>Changes in the present value of obligation</b>			
a.	Present value of obligation at the beginning of the year	23.38	22.15	-
b.	Interest cost	1.71	1.72	-
c.	Current service cost	5.86	4.88	-
d.	Benefits paid	(6.21)	(6.83)	-
e.	Actuarial (gain)/loss:			
	due to change in financial assumptions	(0.68)	1.35	-
	due to experience variance	0.44	0.11	-
f.	Present value of obligation at the end of the year.	24.50	23.38	22.15



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

		March 31, 2018	March 31, 2017	April 01, 2016
ii.	<b>Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets</b>			
a.	Present value of obligation at the end of the year	24.50	23.38	22.15
b.	Fair value of plan assets at the end of the year	-	-	-
c.	Net (asset)/liability recognized in the balance sheet	24.50	23.38	22.15
			<b>March 31, 2018</b>	<b>March 31, 2017</b>
iii.	<b>Expenses recognized in the Statement of Profit &amp; Loss</b>			
a.	Current service cost		5.86	4.88
b.	Interest cost		1.71	1.72
c.	Net actuarial (gain)/loss		(0.24)	1.46
e.	Total expenses recognized in the Statement of Profit & Loss		7.33	8.06
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
iv.	<b>Amount recognized in other comprehensive income</b>			
a.	Actuarial gain/(loss) on liabilities		-	-
b.	Actuarial gain/(loss) on assets		-	-
c.	Net gain/(loss) recognized in other comprehensive income		-	-
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
v.	<b>Actuarial assumption</b>	%	%	%
a.	Discount rate	7.75	7.30	7.80
b.	Expected rate of return on plan assets	NA	NA	NA
c.	Salary escalation rate	10.00	10.00	10.00
				(₹ in Lakhs)
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
vi.	<b>Sensitivity analysis</b>			
a.	Impact due to increase of 0.50% in discount rate	(0.71)	(0.77)	(0.73)
b.	Impact due to decrease of 0.50% in discount rate	0.76	0.82	0.78
c.	Impact due to increase of 1.00% in salary inflation rate	1.49	1.61	1.53
d.	Impact due to decrease of 1.00% in salary inflation rate	(1.34)	(1.45)	(1.38)
e.	Impact due to increase of 5.00% in withdrawal rate	(1.44)	(1.70)	(1.49)
f.	Impact due to decrease of 5.00% in withdrawal rate	2.53	2.99	2.61
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
vii.	<b>Maturity profile of defined benefit obligation</b>			
a.	1st following year	5.66	4.69	4.86
b.	2nd following year	2.13	2.45	2.46
c.	3rd following year	2.91	2.59	2.31
d.	4th following year	2.25	2.46	2.66
e.	5th following year	2.26	2.30	2.54
f.	After 6th following year	30.53	29.92	29.41

46) Disclosure under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable since the Company does not have any subsidiary/associates.

47) Corporate Debt Restructuring (CDR) package was sanctioned to the Company vide LOA dated August 17, 2009. The package was successfully implemented by all the bankers w.e.f. the cut off date i.e. April 01, 2009 as per terms and conditions set out in the Letter of Approval(LOA). The CDR lenders have a right to recompense of their waivers & sacrifices made as part of the CDR proposal. The recompense payable by the Company is contingent on various factors, outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

- 48) Disclosure of the amounts due to the Micro and Small Enterprises (on the basis of the information and records available with the management) as under:

(₹ in Lakhs)

S.No.	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on (1) above and the unpaid interest	-	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-	-

- 49) Interest accrued also includes accumulated dividend on 4% cumulative redeemable preference shares amounting to ₹126.25 lakhs in April 01, 2016; ₹145.76 lakhs in March 31, 2017 and ₹145.76 in March 31, 2018.
- 50) The Rajasthan State Industrial Development and Investment Corporation Ltd. has issued cancellation orders for the land of Keshwana unit. The said orders have been stayed by the Hon'ble High Court of Rajasthan.
- 51) Current Tax represents Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961. The Company being of the opinion that MAT credit will be available against discharge of normal tax liability during the specified period, credit for the same has been created as an asset by way of credit to the Statement of Profit and Loss in accordance with the Guidance Note on Accounting For Credit Available In Respect Of Minimum Alternate Tax Under The Income Tax Act, 1961.
- 52) Net increase/decrease in excise duty liability on closing stock of finished goods before introduction of Goods and Services Tax i.e. upto June 30, 2017 has been shown as "Excise duty on stock (net)" in note no. 38 of Notes to the financial statements
- 53) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of paper and the activities incidental thereto within India, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". No customer except three accounted for 10% or more of revenue during financial year ending March 31, 2018 and March 31, 2017.

**54) CAPITAL MANAGEMENT**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity.

**Gearing Ratio**

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

(₹ in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Debt*	2,075.77	2,099.50	4,553.57
Less: Cash and bank balances	145.33	259.35	231.51
Net Debt	1,930.44	1,840.15	4,322.06
Total Equity	2,502.99	2,427.30	45.20
Debt to Equity ratio	0.77	0.76	95.62

\*Debt is defined as long-term and short-term borrowings

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****55) FIRST TIME ADOPTION TO IND AS**

As stated in Note 2, the Company's financial statements for the year ended March 31, 2018 are the first annual financial statements prepared in compliance with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 01, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS financial statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under Ind AS and Previous GAAP as at the transition date have been recognized directly in equity at the transition date.

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

**Optional Exemptions from retrospective application availed**

- (i) **Previous GAAP carrying value as deemed cost:** The company has adopted exemption given in paragraph D7AA of Ind AS 101 relating to its property, plant & equipment as per which the company has elected to continue with the carrying value for all of its property, plant & equipment as recognised in the financial statements as at the date of transition, i.e. 01st April, 2016, measured as per Previous GAAP and used that as its deemed cost as at the date of transition to Ind AS.
- (ii) **Investment in equity instruments:** Ind AS 101 permits an entity to designate particular equity investment (Other than equity investment in subsidiaries, joint ventures and associates) as at fair value through other Comprehensive Income (FVOCI) based on facts and circumstances as the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at Fair Value through Profit and Loss (FVTPL). The Company has availed this exemption to designate certain equity investment as FVOCI on the date of transition.

**Mandatory exceptions from retrospective application**

- (i) **Estimates:** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- (ii) **Classification and measurement of financial assets:** The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**56(a) Reconciliation of Balance Sheet as at April 01, 2016, the date of transition to Ind AS**

Particulars	IGAAP as at April 01, 2016	Adjustments	(₹ in Lakhs)
			Ind AS as at April 01, 2016
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2,651.35	-	2,651.35
(b) Capital work-in-progress	53.41	-	53.41
(c) Financial Assets			
(i) Investments	1.22	127.52	128.74
(ii) Trade receivables	-	-	-
(iii) Loans	156.80	-	156.80
(iv) Others	5.27	(1.65)	3.62
(d) Deferred tax assets (net)	-	-	-
(e) Other non-current assets	5.91	-	5.91
<b>Total non-current assets</b>	<b>2,873.96</b>	<b>125.87</b>	<b>2,999.83</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	IGAAP as at April 01, 2016	Adjustments	(₹ in Lakhs)
			Ind AS as at April 01, 2016
<b>(2) Current assets</b>			
(a) Inventories	966.49	-	966.49
(b) Financial Assets			
(i) Trade receivables	2,412.15	(11.72)	2,400.43
(ii) Cash and cash equivalents	144.57	-	144.57
(iii) Bank balances other than (ii) above	86.94	-	86.94
(iv) Others	31.37	-	31.37
(c) Current Tax Assets (Net)	4.46	-	4.46
(d) Other current assets	539.32	-	539.32
<b>Total current assets</b>	<b>4,185.30</b>	<b>(11.72)</b>	<b>4,173.58</b>
<b>(3) Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>7,059.26</b>	<b>114.15</b>	<b>7,173.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	1,352.17	-	1,352.17
(b) Other Equity	(1,820.22)	513.25	(1,306.97)
<b>Total equity</b>	<b>(468.05)</b>	<b>513.25</b>	<b>45.20</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	746.08	(503.91)	242.17
(ii) Trade payables	50.28	-	50.28
(iii) Other financial liabilities	134.62	(23.69)	110.93
(b) Provisions	131.31	-	131.31
<b>Total non-current liabilities</b>	<b>1,062.29</b>	<b>(527.60)</b>	<b>534.69</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	3,261.45	-	3,261.45
(ii) Trade payables	1,697.63	-	1,697.63
(iii) Other financial liabilities	1,394.19	128.50	1,522.69
(b) Other current liabilities	98.63	-	98.63
(c) Provisions	13.12	-	13.12
(d) Current Tax Liabilities (Net)	-	-	-
<b>Total current liabilities</b>	<b>6,465.02</b>	<b>128.50</b>	<b>6,593.52</b>
<b>(3) Liabilities classified for assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity and Liabilities</b>	<b>7,059.26</b>	<b>114.15</b>	<b>7,173.41</b>

**56(b) Reconciliation of Balance Sheet as at March 31, 2017**

Particulars	IGAAP as at March 31, 2017	Adjustments	(₹ in Lakhs)
			Ind AS as at March 31, 2017
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2,438.68	-	2,438.68
(b) Capital work-in-progress	325.53	-	325.53
(c) Financial Assets			
(i) Investments	1.22	131.72	132.94
(ii) Trade receivables	-	-	-
(iii) Loans	174.30	-	174.30
(iv) Others	16.67	(1.64)	15.03



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(₹ in Lakhs)		
	IGAAP as at March 31, 2017	Adjustments	Ind AS as at March 31, 2017
(d) Deferred tax assets (net)	418.28	-	418.28
(e) Other non-current assets	27.58	-	27.58
<b>Total non-current assets</b>	<b>3,402.26</b>	<b>130.08</b>	<b>3,532.34</b>
<b>(2) Current assets</b>			
(a) Inventories	1,024.39	-	1,024.39
(b) Financial Assets			
(i) Trade receivables	1,588.12	(15.72)	1,572.40
(ii) Cash and cash equivalents	164.38	-	164.38
(iii) Bank balances other than (ii) above	83.56	-	83.56
(iv) Others	67.33	-	67.33
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	745.66	-	745.66
<b>Total current assets</b>	<b>3,673.44</b>	<b>(15.72)</b>	<b>3,657.72</b>
<b>(3) Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>7,075.70</b>	<b>114.36</b>	<b>7,190.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	1,352.17	-	1,352.17
(b) Other Equity	591.52	483.61	1,075.13
<b>Total equity</b>	<b>1,943.69</b>	<b>483.61</b>	<b>2,427.30</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	739.09	(479.22)	259.87
(ii) Trade payables	50.28	(20.56)	29.72
(iii) Other financial liabilities	118.87	(19.48)	99.39
(b) Provisions	137.72	-	137.72
<b>Total non-current liabilities</b>	<b>1,045.96</b>	<b>(519.26)</b>	<b>526.70</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1,829.56	-	1,829.56
(ii) Trade payables	1,785.13	-	1,785.13
(iii) Other financial liabilities	273.74	150.01	423.75
(b) Other current liabilities	126.50	-	126.50
(c) Provisions	11.89	-	11.89
(d) Current Tax Liabilities (Net)	59.23	-	59.23
<b>Total current liabilities</b>	<b>4,086.05</b>	<b>150.01</b>	<b>4,236.06</b>
<b>(3) Liabilities classified for assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity and Liabilities</b>	<b>7,075.70</b>	<b>114.36</b>	<b>7,190.06</b>

## 56(c) Reconciliation of statement of Profit and Loss for the year ended March 31, 2017

Particulars	(₹ in Lakhs)		
	IGAAP year ended March 31, 2017	Adjustments	Ind AS year ended March 31, 2017
<b>I) Revenue From Operations</b>	13687.20	118.94	13,806.14
<b>II) Other Income</b>	128.17	18.55	146.72
<b>III) Total Income (I + II)</b>	<b>13,815.37</b>	<b>137.49</b>	<b>13,952.86</b>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(₹ in Lakhs)		
	IGAAP year ended March 31, 2017	Adjustments	Ind AS year ended March 31, 2017
<b>IV) EXPENSES</b>			
Cost of materials consumed	7912.01	-	7,912.01
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(75.37)	-	(75.37)
Employee benefits expense	739.73	3.81	743.54
Finance costs	263.64	48.39	312.03
Depreciation and amortization expense	312.60	-	312.60
Excise duty	9.17	118.94	128.11
Other expenses	3967.19	4.00	3,971.19
<b>Total expenses (IV)</b>	<u>13,128.97</u>	<u>175.14</u>	<u>13,304.11</u>
<b>V) Profit/(loss) before exceptional items and tax (III - IV)</b>	686.40	(37.65)	648.75
<b>VI) Exceptional items</b>	1,771.35	-	1,771.35
<b>VII) Profit/(loss) before tax (V + VI)</b>	2,457.75	(37.65)	2,420.10
<b>VIII) Tax expense</b>			
Current tax	464.29	(0.81)	463.48
Deferred tax	46.01	-	46.01
MAT credit entitlement	(464.29)	0.81	(463.48)
<b>Total tax expense (VIII)</b>	<u>46.01</u>	<u>0.00</u>	<u>46.01</u>
<b>IX) Profit/(loss) for the year (VII - VIII)</b>	2,411.74	(37.65)	2,374.09
<b>X) Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	-	3.81	3.81
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B (i) Items that will be reclassified to profit or loss	-	4.20	4.20
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>XI) Total Comprehensive Income for the year (IX + X)</b>	<u>2,411.74</u>	<u>(29.64)</u>	<u>2,382.10</u>
(comprising profit (loss) and other comprehensive income for the year)			
<b>XII) Earnings per equity share of face value of ₹ 10/- each</b>			
(1) Basic (in ₹)	17.66		17.38
(2) Diluted (in ₹)	17.66		17.38

## 56(d) Reconciliation of other equity as at April 01, 2016 and as at March 31, 2017

Particulars	(₹ in Lakhs)	
	As at April 01, 2016	As at March 31, 2017
<b>Equity reported under previous GAAP</b>	<b>(1,820.22)</b>	<b>591.52</b>
<b>Add/(Less):</b>		
Profit/(Loss) on re-measurement of Financial Asset	114.15	114.36
Profit/(Loss) on re-measurement of Financial Liabilities	401.34	373.51
Gain/(loss) on forward contract	(2.24)	(4.26)
<b>Equity reported under Ind AS</b>	<b>(1,306.97)</b>	<b>1,075.13</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****56(e) Reconciliation of total comprehensive income for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017
<b>Net Profit after Tax as per previous Indian GAAP</b>	<b>2,411.74</b>
<b>Add/(Less):</b>	
Interest on liability portion of compounded Financial Instrument	(28.88)
Gain/(Loss) on re-measurement of Financial Asset	(3.99)
Gain/(Loss) on re-measurement of Financial Liabilities	1.05
Gain/(Loss) of exchange rate fluctuations as per forward contract	(2.02)
Gain on defined benefit plan transferred to Other comprehensive income	(3.81)
<b>Net profit /(loss) as per Ind AS</b>	<b>2,374.09</b>
Re-measurement of financial assets through Other comprehensive income	4.20
Gain on defined benefit plan transferred to Other comprehensive income	3.81
<b>Total comprehensive income/(loss) as per IND AS</b>	<b>2,382.10</b>

**56 (f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the period ended March 31, 2017:****1. Financial assets and liability**

a. Under Indian GAAP, the Company had accounted for financial assets (primarily security deposits excluding investments) at the undiscounted amount whereas under Ind AS, such financial assets are recognised at present value. The net impact on account of the same is decrease in financial assets by ₹ 1.65 lakh as at April 01, 2016 and ₹ 1.64 lakh as at March 31, 2017 and decrease in retained earnings by ₹ 1.65 lakh as at April 01, 2016 and increase in retained earnings by ₹ 0.01 lakh as at March 31, 2017.

b. Under Indian GAAP, the Company had accounted for financial liability (primarily borrowings and trade payables) at the undiscounted amount whereas under Ind AS, such financial liability are recognised at present value. The net impact on account of the same is decrease in financial liability by ₹ 527.60 lakh as at April 01, 2016 and ₹ 519.26 lakh as at March 31, 2017 and increase in retained earnings by ₹ 527.60 lakh as at April 01, 2016 and decrease in retained earnings by ₹ 8.34 lakh as at March 31, 2017.

**2. Investments in quoted and unquoted equity instruments**

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as Investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL/ FVTOCI investments. The difference between the instruments fair value and Indian GAAP carrying amount of ₹ 127.52 lakh as at transition date and ₹ 131.72 lakh as at March 31, 2017 has been recognised respectively either in retained earnings or as a separate component of equity, in the FVTOCI reserve, net of related taxes, as applicable.

**3. Derivative instruments**

The fair value gain of foreign exchange forward contracts is recognised under Ind AS, which was not recognised under Indian GAAP. The corresponding adjustment of ₹ 2.02 lakh has been debited to reserves as at March 31, 2017. There is a consequent increase in current financial liabilities amounting to ₹ 2.02 lakh for the year ended March 31, 2017.

**4. Defined benefit liabilities**

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses 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. Actuarial gain of ₹ 3.81 lakh as at March 31, 2017 is recognised in OCI net of tax.

**5. Trade Receivables**

Under Indian GAAP, the Company had created provision for impairment of receivables only in respect of specific amount

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

for incurred losses. Under Ind AS, impairment allowance has been determined based on expected credit loss model ('ECL'). Due to ECL model, the Company impaired its trade receivable which has been adjusted against retained earnings. The net impact on account of the same is decrease in trade receivables by ₹11.72 lakh as at April 01, 2016 and ₹15.72 lakh as at March 31, 2017 and decrease in retained earnings by ₹11.72 lakh as at April 01, 2016 and ₹4.00 lakh as at March 31, 2017.

**6 Liability for Dividend**

Under Indian GAAP, the Company did not account for liability towards payment of dividend on outstanding preference shares. Ind AS 101 requires an entity to assess classification and measurement of financial instruments on the basis of the facts and circumstances that exist at the date of transition to Ind AS and accordingly preference shares were classified as borrowings with dividend, whether or not payable, being classified as borrowing costs. The net impact on account of the same is increase in other financial liabilities by ₹126.25 lakh as at April 01, 2016 and ₹145.76 lakh as at March 31, 2017 and decrease in retained earnings by ₹126.25 lakh as at April 01, 2016 and ₹19.51 lakh as at March 31, 2017.

**7 Excise duty**

Excise duty of ₹ 118.94 lakh on account of sale of goods has been included in revenue as it is on own account because it is liability of the manufacturer which forms part of the production, irrespective of whether goods are sold or not.

**8 Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**9 Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**57) FAIR VALUE MEASUREMENT**

(a) As at March 31, 2016

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments in equity instruments (quoted)	0.07	-	-	0.07	0.07	-	-	0.07
Investments in equity instruments (unquoted)	-	128.67	-	128.67	-	128.67	-	128.67
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	156.80	156.80	-	-	-	-
Others	-	-	3.62	3.62	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	2400.43	2400.43	-	-	-	-
Cash and cash equivalents	-	-	144.57	144.57	-	-	-	-
Bank balances other than above	-	-	86.94	86.94	-	-	-	-
Others	-	-	31.37	31.37	-	-	-	-
<b>Total financial assets</b>	<b>0.07</b>	<b>128.67</b>	<b>2823.73</b>	<b>2952.47</b>	<b>0.07</b>	<b>128.67</b>	<b>-</b>	<b>128.74</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	242.17	242.17	-	-	-	-
Trade payables	-	-	50.28	50.28	-	-	-	-
Other financial liabilities	-	-	110.93	110.93	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	3261.45	3261.45	-	-	-	-
Trade payables	-	-	1697.63	1697.63	-	-	-	-
Other financial liabilities	-	-	1522.69	1522.69	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6885.15</b>	<b>6885.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**(b) As at March 31, 2017**

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments in equity instruments (quoted)	0.07	-	-	0.07	0.07	-	-	0.07
Investments in equity instruments (unquoted)	-	132.87	-	132.87	-	132.87	-	132.87
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	174.30	174.30	-	-	-	-
Others	-	-	15.03	15.03	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	1572.40	1572.40	-	-	-	-
Cash and cash equivalents	-	-	164.38	164.38	-	-	-	-
Bank balances other than above	-	-	83.56	83.56	-	-	-	-
Others	-	-	67.33	67.33	-	-	-	-
<b>Total financial assets</b>	<b>0.07</b>	<b>132.87</b>	<b>2077.00</b>	<b>2209.94</b>	<b>0.07</b>	<b>132.87</b>	<b>-</b>	<b>132.94</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	259.87	259.87	-	-	-	-
Trade payables	-	-	29.72	29.72	-	-	-	-
Other financial liabilities	-	-	99.39	99.39	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	1829.56	1829.56	-	-	-	-
Trade payables	-	-	1785.13	1785.13	-	-	-	-
Other financial liabilities	-	-	423.75	423.75	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4427.42</b>	<b>4427.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) As at March 31, 2018**

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments in equity instruments (quoted)	0.07	-	-	0.07	0.07	-	-	0.07
Investments in equity instruments (unquoted)	-	129.09	-	129.09	-	129.09	-	129.09
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	157.79	157.79	-	-	-	-
Others	-	-	15.03	15.03	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	2190.40	2190.40	-	-	-	-
Cash and cash equivalents	-	-	46.86	46.86	-	-	-	-
Bank balances other than above	-	-	87.06	87.06	-	-	-	-
Others	-	-	20.03	20.03	-	-	-	-
<b>Total financial assets</b>	<b>0.07</b>	<b>129.09</b>	<b>2517.17</b>	<b>2646.33</b>	<b>0.07</b>	<b>129.09</b>	<b>-</b>	<b>129.16</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	263.34	263.34	-	-	-	-
Trade payables	-	-	33.89	33.89	-	-	-	-
Other financial liabilities	-	-	107.63	107.63	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	1747.79	1747.79	-	-	-	-
Trade payables	-	-	2330.28	2330.28	-	-	-	-
Other financial liabilities	-	-	568.57	568.57	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5051.5</b>	<b>5051.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

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.

**58) FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management monitors these risks and provides assurance that the financial risk activities are governed by appropriate policies and procedures. The financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

**Trade receivables**

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The credit worthiness are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	5.75	5.17	4.62
180 - 365 days	0.24	2.28	0.99
1 year to 2 years	1.61	1.75	3.68
2 years to 3 years	1.76	5.08	2.43
above 3 years	6.44	1.44	-
Total	15.80	15.72	11.72

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Movement in the expected credit loss allowance on trade receivables			
Balance at the beginning of the year	15.72	11.72	-
Addition	21.41	16.96	11.72
Write - offs	-	-	-
Recoveries	21.33	12.96	-
Balance at the end of the year	15.80	15.72	11.72

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

The Company has unutilised working capital limits from banks of ₹752.21 lakhs as on March 31, 2018; ₹670.44 lakhs as on March 31, 2017 and ₹938.55 lakhs as on April 01, 2016.

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

**As at March 31, 2018**

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,812.43	-	263.34	2,075.77
Trade payables	2,330.28	33.89	-	2,364.17
Other financial liabilities	503.93	38.93	68.70	611.56
Derivative				
Forward exchange contracts	-	-	-	-

**As at March 31, 2017**

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,839.63	22.07	237.80	2,099.50
Trade payables	1,785.13	29.72	-	1,814.85
Other financial liabilities	409.42	34.13	65.26	508.81
Derivative				
Forward exchange contracts	4.26	-	-	4.26

**As at April 01, 2016**

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	4,311.40	27.04	215.13	4,553.57
Trade payables	1,697.63	50.28	-	1,747.91
Other financial liabilities	470.50	29.93	81.00	581.43
Derivative				
Forward exchange contracts	2.24	-	-	2.24

**Market Risk- Foreign currency risk**

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. As a policy, the Company is covering foreign exchange risk on account of import to avoid any loss situation due to adverse fluctuations in currency rates. There is periodical review of foreign exchange transactions and hedging by the

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Company's executives.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payable on account of purchase of goods			
Forward contracts to buy USD (\$ in lakhs)	2.80	1.02	2.41
Amount outstanding in Indian Rupee (₹ in lakhs)	183.11	70.27	163.31

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payable on account of purchase of goods			
Amount outstanding in USD (\$ in lakhs)	2.01	0.70	0.23
Amount outstanding in Euro (€ in lakhs)	0.13	-	-
Amount outstanding in Indian Rupee (₹ in lakhs)	141.45	45.57	15.05

**Market Risk- Price Risk Exposure**

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. Profit for the year would increase/ (decrease) as a result of gains/ losses on equity securities as at fair value through profit or loss.

**Sensitivity**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index

Impact on Profit before tax

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
			(₹ in Lakhs)
BSE Sensex 30- Increase 5%	0.00	0.00	0.00
BSE Sensex 30- Decrease 5%	-0.00	-0.00	-0.00

Above referred sensitivity pertains to quoted equity investment. Profit for the year would increase/ (decrease) as a result of gains/ losses on equity securities as at fair value through profit or loss. Since the Company has nominal investments in quoted equity and hence, sensitivity analysis is reflecting zero value.

**Foreign Currency Risk Sensitivity**

A change of 5% in Foreign currency would have following Impact on profit before tax

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
USD and Euro			
5% Increase	(16.23)	(5.79)	(8.92)
5% Decrease	16.23	5.79	8.92

**Interest rate risk**

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

For the years ended March 31, 2018 and March 31, 2017, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Company's profit before tax by approximately ₹ 8.92 Lakhs and ₹ 8.60 Lakhs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

**Commodity rate risk**

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of News Prints including the raw material components for such active News Prints. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's some of the raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

**59) RELATED PARTY DISCLOSURES**

As per Ind AS 24, all related parties have been identified by the management and relied upon by the auditors. There are no related parties where control exists.

## i) Key Management Personnel:

Mr. N.K. Pasari

## ii) Relative of Key Management Personnel:

Mr. B.N. Pasari

Mr. Naynesh Pasari

## iii) Enterprise where Key Management Personnel/Relative of Key Managerial Personnel has significant influence:

Laxmi Traders

Amer Hotels Ltd.

Gopala Sales Pvt. Ltd.

Bishwanath Industries Ltd.

Bishwanath Traders &amp; Investments Ltd.

Govinda Power &amp; Products Pvt. Ltd.

SKCS Finvest Pvt. Ltd.

Inficore Visions Pvt. Ltd.

## iv) Details of transactions with the related parties:

(₹ in Lakhs)

Nature of transactions	2017-2018			2016-2017		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
<b>Expenses :</b>						
Employee benefit expense* (short term employee benefits)						
Mr. N.K. Pasari	15.73	-	-	9.59	-	-
Consultancy paid						
Mr. Naynesh Pasari	-	5.40	-	-	2.40	-
Finance costs						
Gopala Sales Pvt. Ltd.	-	-	2.59	-	-	2.33
Bishwanath Industries Ltd.	-	-	23.07	-	-	20.68
Bishwanath Traders & Investments Ltd.	-	-	2.28	-	-	2.05
Raw material purchase						
Govinda Power & Products Pvt. Ltd.	-	-	7.91	-	-	6.98
Packing material purchase						
Gopala Sales Pvt. Ltd.	-	-	106.09	-	-	71.42
Govinda Power & Products Pvt. Ltd.	-	-	30.49	-	-	32.56
<b>Income :</b>						
Other operating revenues						
Gopala Sales Pvt. Ltd.	-	-	5.81	-	-	4.64
Govinda Power & Products Pvt. Ltd.	-	-	7.50	-	-	9.98





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs)

Nature of transactions	2017-2018			2016-2017		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
Gopala Sales Pvt. Ltd.	-	-	0.72	-	-	0.72
Govinda Power & Products Pvt. Ltd.	-	-	0.66	-	-	0.66
SKCS Finvest Pvt. Ltd.	-	-	0.06	-	-	0.06
Inficore Visions Pvt. Ltd.	-	-	0.07	-	-	-

\*it does not include provision for gratuity and leave encashment as the same is not determinable since the actuarial valuation is done for the Company as a whole.

v) Closing balances receivables/payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Referred in (i) above</b>			
Current financial liabilities-Others			
Mr. N.K. Pasari	1.61	1.27	0.79
<b>Referred in (ii) above</b>			
Current financial liabilities-Trade payables			
Mr. Naynesh Pasari	0.45	0.45	0.09
<b>Referred in (iii) above</b>			
Current financial assets-Trade receivables			
SKCS Finvest Pvt. Ltd.	0.07	-	-
Inficore Visions Pvt. Ltd.	0.08	-	-
Current financial assets-Others			
Gopala Sales Pvt. Ltd.	-	0.72	0.72
Govinda Power & Products Pvt. Ltd.	-	0.66	0.66
SKCS Finvest Pvt. Ltd.	-	0.06	0.06
Other current assets			
Gopala Sales Pvt. Ltd.	8.73	16.48	7.56
Govinda Power & Products Pvt. Ltd.	0.07	-	-
Non-current financial liabilities-Borrowings*			
Bishwanath Traders & Investments Ltd.	22.98	20.70	18.65
Bishwanath Industries Ltd.	223.89	200.82	180.13
Gopala Sales Pvt. Ltd.	16.47	16.28	16.35
Current financial liabilities-Others			
Gopala Sales Pvt. Ltd.	2.16	2.16	0.24
Current financial liabilities-Trade payables			
Laxmi Traders	1.08	1.08	1.08
Amer Hotels Ltd.	0.15	0.15	0.15
Govinda Power & Products Pvt. Ltd.	3.98	5.56	3.32
Current financial liabilities-Others			
Amer Hotels Ltd.	0.15	0.15	0.15
Other current liabilities			
Bishwanath Traders & Investments Ltd.	1.63	1.63	1.63

\*These figures are at amortised cost as per Ind AS 109, the original values are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bishwanath Traders & Investments Ltd.	50.00	50.00	50.00
Bishwanath Industries Ltd.	508.64	508.64	508.64
Gopala Sales Pvt. Ltd.	20.00	20.00	20.00

60) Comparative corresponding figures for the previous year have been regrouped and/or re-arranged wherever considered necessary.



Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

Regd. Office: 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002
Email: info@skpmil.com, Website: www.skpmil.com • Tel: 91-11-23261728 Fax: 91-11-23266708

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]

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Folio No/Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of Shree Krishna Paper Mills & Industries Limited, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, September 28, 2018 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

- 1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Pasari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mrs. Rakhi Verma as a Director.
4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019.

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.

Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

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Email: info@skpmil.com, Website: www.skpmil.com • Tel: 91-11-23261728 Fax: 91-11-23266708

Attendance Slip

Members are requested to bring their copy of the Annual Report in the Annual General Meeting. Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Name: \_\_\_\_\_ Folio No./ DP & Client ID: \_\_\_\_\_

Address: \_\_\_\_\_ No. of Shares Held: \_\_\_\_\_

I/We hereby record my/our presence at the 46th Annual General Meeting of the Company at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 on Friday, September 28, 2018 at 10.30 a.m.

Signature of the Shareholder/ Proxy \_\_\_\_\_





 **Shree Krishna Paper Mills &  
Industries Limited**

4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110 002  
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