Balkrishna
Paper Mills Ltd.



# ANNUAL REPORT

## 2016-2017



**BOARD OF DIRECTORS:**

**ANURAG P. PODDAR**
(Chairman & Managing Director)

**ANKIT P. PODDAR**
(Executive Director)

**SACHINDRA NATH CHATURVEDI**
(Independent Director)

**HARISH N. MOTIWALLA**
(Independent Director)

**RAKESH N. GARODIA**
(Independent Director)

**MEGHNA SHAH**
(Independent Director)

**SHRUTISHEEL JHANWAR**
(Whole-time Director & CFO)

**OMPRAKASH SINGH**
(Company Secretary)

**BANKERS:**
CORPORATION BANK
STANDARD CHARTERED BANK

**STATUTORY AUDITORS:**
M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

**INTERNAL AUDITORS:**
DILIP A.JAIN & ASSOCIATES
Chartered Accountants

**COST AUDITORS:**
K.G. GOYAL & ASSOCIATES
Cost Accountants

**REGISTERED OFFICE:**
A/7, Trade World, Kamala City,
Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400 013.

**PLANTS:**
**Unit 1: (Paper/Paper Board & Coating Plant)**
Village: Ambivli, P.O.Mohone
Taluka - Kalyan, Dist. Thane - 421 102
**Unit 2: (Cutting & Packing Unit)**
Building No. F3 & F4, Bhiwandi Nashik Road,
Village Dhamngaon, Taluka Bhiwandi, Dist. Thane - 421 102

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## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of Balkrishna Paper Mills Limited will be held on Wednesday, 19th July, 2017 at 2.30 P.M. at Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018, to transact the following businesses:

**Ordinary Business**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anurag Poddar (DIN: 00599143), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of section 139, 141, 142 and all other applicable provisions, if any, of the companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration No. 104133W), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company, be and is hereby ratified at a remuneration to be decided by the Board of Directors."

   **Special Business**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. K. G. Goyal & Associates, Cost Accountants, having Firm Registration No. 000024, who was appointed by the Board of Directors of the Company as a Cost Auditors of the Company to fill up the casual vacancy caused by resignation of Shri R. S. Raghavan, Cost Accountant, previous cost auditor of the Company, to conduct the audit of the cost records of the Company for the financial year 2016-17 be paid remuneration of ₹35,000/- (Rupees Thirty Five Thousand only) p.a. plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

   **RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Shri Omprakash Singh, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient, desirable to give effect to this Resolution."

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

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2017-18 to M/s. K. G. GOYAL & ASSOCIATES, Cost Accountants having Firm Registration No.000024 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to ₹35,000/- (Rupees Thirty Five Thousand only) p.a. plus applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

   **RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Shri Omprakash Singh, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient, desirable to give effect to this Resolution."

   **Increasing the Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 61 and any other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the existing Authorised Share Capital of the Company of ₹11,00,00,000/- (Rupees Eleven Crores) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each be and is hereby increased to ₹ 36,00,00,000 (Rupees Thirty Six Crores) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of ₹10 (Rupees Ten) each and 25,00,000 (Twenty Five Lakhs) 9% Cumulative Redeemable Preference Shares of ₹100 (Rupees One Hundred) each.

   **RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and any other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V(a) thereof by the following new Clause V(a) as under:

   V(a)."The Authorized Share Capital of the Company is ₹ 36,00,00,000 (Rupees Thirty Six Crores) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of ₹10 (Rupees 10) each and 25,00,000 (Twenty Five Lakhs) 9% Cumulative Redeemable Preference Shares of ₹100 (Rupees One Hundred) each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively and preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Companies Act, 2013 and Rules as applicable thereon, for the time being in force and regulations of the Company and Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative

provisions for the time being in force in that behalf. "

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Shri Omprakash Singh, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient, desirable to give effect to this Resolution."

**Issue and Offer of 9% Cumulative, Redeemable Preference Shares on a Private Placement basis**

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:

**"RESOLVED FURTHER** in accordance with the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made thereunder of the Companies (Prospectus of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules framed there under, as may be amended from time to time, and the Memorandum and Articles of Association of the Company and the regulations/ guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof constituted/ to be constituted for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, 25,00,000 9% Cumulative Redeemable Preference Shares, of face value of ₹100 (Rupees One Hundred) on such terms and conditions, for an aggregate value not exceeding ₹25 Crores (Rupees Twenty Five Crores), in one or more tranches under this offer, as may be decided by the Board of Directors under this offer, for cash at par on a private placement basis, to various entities/persons including Promoters/Promoters Group & Associates whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT pursuant to the provisions of Section 43 of the Companies Act, 2013 the** 9% Cumulative redeemable preference shares shall:

(a) Carry a preferential right with respect to payment of dividend and repayment, in the case of a winding up or repayment of capital vis –a – vis equity shares.

(b) be non-participating in the surplus funds;

(c) be non-participating in surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

(d) be paid dividend on a cumulative basis;

(e) be non- convertible into equity shares of the Company.

(f) carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013;

(g) Shall be redeemed on or before 10 years from the date of issue of the shares. The Redemption shall be in such manner as may be decided by the Board subject to mutual agreement of the parties.

(h) The terms and conditions of the said 9% Cumulative, Redeemable Preference Shares may be varied by the Board subject to mutual consent of the parties.

**RESOLVED FURTHER THAT** the said 9% cumulative, Redeemable Preference Shares shall not be listed with any Stock Exchanges.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to agree and to make such modification (s) and alteration (s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient in relation to the issue, offer, allotment and redemption including issuance of 'Offer Document' as per applicable laws and the rules made thereunder and to resolve all questions of doubts and to do all acts, deeds and things and execute all such deeds, documents, writings, in connection therewith and incidental thereto and the Board in its absolute discretion without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive and also to pay such fees and incur such expenses in relation thereto as it may deem appropriate."

By Order of the Board of Directors
Sd/-
Omprakash Singh
Company Secretary & Compliance Officer
(Membership No.FCS-4304)

Registered Office:
A/7, Trade World, Kamala city,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013
CIN: L21098MH2013PLC244963
May 27, 2017

**Notes:**

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business under Item Nos. 4 to 7 of the accompanying Notice is annexed hereto.
2. At the ensuing Annual General Meeting, Shri Anurag Poddar, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment, resolution for his appointment is proposed for approval of the members at item no.2. A statement giving the relevant details of the Directors seeking appointment/re-appointment under Item No. 2 of the accompanying Notice, is annexed herewith.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more

than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 14th July, 2017 to Wednesday, 18th July, 2017 (both days inclusive), for the purpose of AGM.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
11. There is no unclaimed dividend account lying with the Company which needs to be transfer to Investor Education and Protection Fund (IEPF), under Section 124 of the Companies Act, 2013. In case of any queries, you may refer to the frequently Asked Question (FAQs) for shareholders and E-voting user Manual for shareholders, available at the downloads section of www.evoting.nsdl.com.
12. Members holdings shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding are in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited.
13. Notice of Annual General Meeting along with Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same.
14. Electronic copy of the Notice of the 4th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose Email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 4th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
15. Members may note that the Notice of the 4th Annual General Meeting and the Annual Report for year 2016-2017 will also be available on the Company's web site for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. 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 also send requests to the Company's email id: opsingh@bpml.in or menon@sharexindia.com.
16. 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.
17. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e- voting are given below in this Notice.
18. **Voting through electronic means :**

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on 14th July, 2017 (9:00 am) and ends on 18th July, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th July, 2017, may cast their

vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

i. Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

ii. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

iii. Click on Shareholder - Login

iv. Put your user ID and password. Click Login.

v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii. Select "EVEN" of "Balkrishna Paper Mills Limited"

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

ix. Now you are ready for remote e-voting as Cast Vote page opens.

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

xi. Upon confirmation, the message "Vote cast successfully" will be displayed.

xii. Once you have voted on the resolution, you will not be allowed to modify your vote.

xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12th July, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Shri Prasen Naithani, Practising Company Secretary

(Membership No. FCS 3830) and Proprietor, M/s. P. Naithani & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.bpml.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE & NSE, Mumbai.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item 4 & 5**

Shri R. S. Raghavan, Cost Accountant, existing Cost Auditor of the Company had tendered his resignation from the position of Cost Auditor due to unavoidable circumstances, resulting into a casual vacancy in the office of Cost Auditor of the Company. Accordingly the Board on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. K. G. Goyal & Associates, Cost Accountants, as Cost Auditors of the Company to fill the casual vacancy caused by the resignation of Shri R. S. Raghavan for the Financial Years 2016-17 & reappointment and remuneration for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item Nos. 4 & 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial years 2016-17 and 2017-18.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 4 & 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 & 5 of the Notice for approval by the shareholders.

**Item No. 6**

The present Authorised Share Capital of the Company as on April 30, 2017 is ₹11,00,00,000 (Rupees Eleven Crores) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of ₹10 (Rupees Ten) each.

The Paid up Share Capital of the Company as on April 30, 2017 is ₹10,73,98,440 (Rupees Ten Crores Seventy Three Lakhs Ninety Eight Thousands Four Hundred and Forty) divided into 1,07,39,844 (One Crore Seven Lakhs Thirty Nine Thousand Eight Hundred Forty Four) Equity Shares of ₹10 (Rupees Ten) each.

It is proposed to increase the Authorised Share Capital of the Company as ₹ 36,00,00,000 (Rupees Thirty Six Crores) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of ₹10 (Rupees Ten) each and 25,00,000 (Twenty Five Lakhs) 9% Cumulative Redeemable Preference Shares of ₹100 (Rupees Hundred) each.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item no. 6.

The Board recommends the passing of this Resolution at Item No. 6 of the accompanying Notice in the interest of the Company.

**Item No. 7**

The proposed Special Resolution is an enabling Resolution authorizing the Board of Directors to raise resources by the issue of 25,00,000 9% Cumulative Redeemable Preference Shares (Hereinafter referred to as the Preference Shares) of face value of ₹100 /- (Rupees One Hundred) each.

The Preference Shares may be issued to the various entities/ persons which may include the Promoters/Promoter Group & Associates whether or not they are member(s) of the Company, on private placement basis. The Board shall also be authorised to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers/ holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of Dividend. The Preference Shares shall be transferred in the same manner as Equity shares. The Preference Shares shall be redeemed in accordance to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company. However, the final terms and conditions of the issue of Preference Shares shall be determined by the Board and may be different for different tranches and / or series of Preference Shares.

Pursuant to provisions of Section 42, 55 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder of the Companies (Prospectus of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules framed there under, as may be amended from time to time, the Listing Agreement entered into with the Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any offer or issue of shares in a company to persons other than the shareholders of the company requires prior approval of the Members in General Meeting by way of a Special Resolution. The consent of the Members is therefore, sought to authorize

the Board to issue Preference Shares as aforesaid. The Board of Directors of the Company recommends the Resolution for the approval of the Members, in the best interest of the Company.

For the purpose of Sub- Rule 3 of Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 the complete material facts concerned with and relevant to the issue of preference shares are stated below:

| | |
|---|---|
| Name of Proposed Allottee/ Class or class of persons to whom allotment is proposed to be made | Entities / Persons /Promoters/ Promoter Group & Associates |
| Intention of Promoters, Directors or KMP to subscribe to the offer | Promoter/promoter Group & Associates would subscribe to the entire offer |
| % of Subscription by Proposed Allottee | 100% |
| Size of the issue | ₹25 Crores in one or more tranches under this Offer. |
| No. of Preference shares | 25,00,000 |
| Nominal value/Price at which allotment is proposed | ₹100 per preference share |
| Basis on which the price has been arrived | Issue is AT PAR |
| Tenure | Not exceeding 10 years from the date of their issue or as may be determined by the Board |
| Nature of Preference shares | 9% Cumulative, Redeemable Preference Shares |
| Object of the issue | To raise long term funds for the business of the Company including meeting the working capital requirements. |
| Manner of issue of shares | Offer on private placement basis in one or more tranches as may be decided by the Board of Directors in accordance with the provisions of Section 42 of the Companies Act, 2013 and Rules made there under. |
| Offer period | To be determined by the Board |
| Terms of issue | Preference Shares shall rank prior in respect of payment of dividend or redemption amount compared to equity shareholders of the Company and in the event of winding up, preferential right over the equity shareholders in participating of funds, assets and profits of the Company. |
| Rate of Dividend | 9% |
| Manner and mode of redemption | To be determined by the Board |
| Terms of redemption including tenure of redemption, redemption of shares at premium | Redeemable at par in accordance with Section 55 of the Companies Act, 2013 out of profits available for distribution as dividend or out of fresh issue of shares made for the purpose of redemption. |
| Current equity shareholding pattern | Mentioned below |
| Expected dilution in equity share capital upon conversion of preference shares | Nil. Since the Redeemable Preference Shares are non-convertible. |

The current Shareholding Pattern of the company are as under:

| Category | Category of Shareholding | No. of Shareholders | No. of fully paid up Equity Shares | Paid up value of shares (₹) | Percentage of shareholding % |
|---|---|---|---|---|---|
| A | Promoter and Promoter Group | 35 | 5839542 | 58395420 | 54.37 |
| B | Public | 13180 | 4900302 | 49003020 | 46.63 |
| | Total (A+B) | 13215 | 10739844 | 107398440 | 100.00 |

None of the Directors and / or key managerial personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out in Item No. 7 of the Notice except to the extent of shares that may be allotted to them.

By Order of the Board of Directors
Sd/-
Omprakash Singh
Company Secretary & Compliance Officer
(Membership No.FCS-4304)

Registered Office:
A/7, Trade World, Kamala city,
Senapati Bapat Marg,
Lowe Parel (West),
Mumbai – 400 013
CIN: L21098MH2013PLC244963
May 27, 2017

**ANNEXURE TO ITEM 2 OF THE NOTICE**

**Details of the Director seeking re-appointment in the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and disclosure Requirement) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings)**

| | |
|---|---|
| Name of the Director | Shri Anurag P. Poddar |
| Director Identification Number (DIN) | 00599143 |
| Date of Joining | 11.02.2015 |
| Qualification of the Director | MBA from Drexel University, USA |
| Date of Birth | 13.07.1981 |
| Nature of Expertise in specific functional area | Industrialist with Specialised in Finance, Marketing, Technical, Production, Sale, and Export etc. |
| No. of shares held in the Company | 11 Equity Shares |
| No. of Board Meetings attended during FY 2016-17 | Four |
| Names of the listed entities in which person also holds the directorship and the membership of Committees of the Board | NIL |

## DIRECTOR'S REPORTS

Dear Shareholders,
**Balkrishna Paper Mills Ltd**

Your directors have pleasure in presenting their Fourth Annual Report together with the Audited Statements of accounts for the Financial Year ended 31st March, 2017.

**1. FINANCIAL STATEMENTS & RESULTS:**

**a. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY (STANDALONE)**

**FINANCIAL RESULTS:**

(₹ in crore)

| Particulars | **Current Year ended 31.03.2017** | Previous Year ended 31.03.2016 |
|---|---|---|
| Gross Turnover and Other Income | **195.50** | 168.02 |
| Less: Excise Duty Recovered on Sales | **11.48** | 9.31 |
| Net Turnover and Other Income | **184.02** | 158.71 |
| Gross Profit/(Loss) | **(15.68)** | (13.14) |
| Less: Depreciation and Amortisation | **5.77** | 3.66 |
| Exceptional item | **-** | 43.70 |
| Profit/(loss) before Tax | **(21.45)** | 26.90 |
| Less: Provision for Taxation | | |
| Current Tax (MAT) | **-** | 5.95 |
| Deferred Tax (Net) | **3.96** | 4.47 |
| Profit after Tax | **(25.41)** | 16.48 |
| Balance brought forward from last year | **13.44** | (3.10) |
| Income tax of earlier year | **0** | (.06) |
| PROFIT AVAILABLE FOR APPROPRIATIONS: | **(11.97)** | 13.44 |
| APPROPRIATIONS: | | |
| Proposed Dividend (including Tax on Dividend) | **0.00** | 0.00 |
| Balance Carried Forward to Balance Sheet | **(11.97)** | 13.44 |

**b. OPERATIONS:**

During the year under review, the Gross turnover and other Income of your Company increased to ₹195.50 Crore from ₹168.02 Crore in the previous year. The net Loss after tax stood at ₹ 25.41 Crore against Profit of ₹16.48 Crore in the previous year.

**c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

**d. DIVIDEND**

Your Directors have not recommended any dividend for the financial year under review

**e. SHARE CAPITAL:**

The paid up Share Capital of the Company as on 31st March, 2017 was ₹ 10.74 Crore. As on 31st March, 2017, none of the Directors of the Company hold convertible instruments.

**f. REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

**g. DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. There were no unclaimed deposits or interest thereon as on 31st March, 2017. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**h. BRIEF DESCRIPTION OF THE COMPANY WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

The Company is engaged in manufacturing of "Coated Duplex Boards" segment. The applications of the Coated Boards are well diversified and ever expanding. This segment of the industry has witnessed a healthy growth over the past decade and is expected to continue to grow annually at a rate approximately 9%

The production for the year under review was 59607 MT and sales was 58823 M.T.

**i. DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:**

There were no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**j. INTERNAL CONTROL SYSTEM**

Your company has adequate system of internal control to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorised, correctly recorded and properly reported.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**k. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

During the year under review, there were no 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.

**l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

During the year under review, there are no loans, guarantees, investments and securities provided by the Company.

**m. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**n. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**o. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**p. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**q. CORPORATE GOVERNANCE:**

A report on Corporate Governance as stipulated under Uniform Listing Agreement with the Stock Exchange(s)/ SEBI (LODR) Regulations, 2015 forms part of the Annual Report.

Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Para forms part of the Annual Report.

**r. EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure I which forms part of this Report.

**s. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large.

All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

The policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link www.bpml.in, under the head Investor relations.

The details of the transactions with Related Parties to be provided in Form AOC-2 is annexed herewith as Annexure-II.

Members can refer to Note No. 37 to the Financial Statements which set out related party disclosures.

**t. INDUSTRIAL RELATIONS:**

Industrial relations with staff and workmen during the year under review continued to be cordial.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Anurag P. Poddar, Chairman and Managing Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

**b. DECLARATIONS BY INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

**3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**

**a. BOARD MEETINGS:**

The Board of Directors met 4 times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

May 7, 2016, July 29, 2016, November 12, 2016, and February 4, 2017.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,

b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Profit of the Company for that year;

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

d. the annual accounts of the Company have been prepared on a going concern basis;

e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c. NOMINATION AND REMUNERATION COMMITTEE:**

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

**Composition :**

The Committee comprises of 3 Independent Directors.

The composition of the Nomination and Remuneration Committee, category of members, their attendance at the Committee Meetings held during the year under review is given in the table below:

| Sr. No. | Name of the Director | Category | Number of Meetings * | |
|---|---|---|---|---|
| | | | Held | Attended |
| 1 | Shri Sachindra Nath Chaturvedi (Chairman) | Independent Director | - | - |
| 2 | Shri Harish N. Motiwalla | Independent Director | - | - |
| 3 | Shri Rakesh N. Garodia | Independent Director | - | - |

* During the year no meeting was held.

**Remuneration Policy:**

The Company follows a policy on remuneration of Directors and Senior Management Employees as enumerated below:

**Remuneration of Non-Executive Directors** : The Non-executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in Board/Committee meetings and commission, if any, after approval of the members.

**Remuneration of Chairman/Managing Director/ Whole Time Directors:**

1) At the time of appointment or re-appointment of the Managing Director & CEO/ Whole Time Directors, such remuneration shall be paid as may be mutually agreed between the company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Chairman & Managing Director / Whole-time Directors within the overall limits prescribed under the Companies Act, 2013.
2) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3) The remuneration of the Managing Director / Executive Director / Whole-time Director are broadly divided into Basic Salary, Allowances, perquisites, amenities, retirement benefits and commission.
4) In determining the remuneration the Nomination and Remuneration Committee shall ensure/consider the following:-

a. The relationship of remuneration and performance benchmark is clear.
b. Responsibility required to be shouldered by the Chairman & Managing Directors & Whole-time Director, the industry benchmarks and the current trends.
c. The company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

**Remuneration of Senior Management Employees:**

1. In determining of Senior Management employees i.e. KMPs, the Nomination and Remuneration Committee shall ensure/consider the following:

a. The relationship and performance benchmark is clear.
b. The remuneration including annual increment is decided based on the critically of the roles and responsibilities the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs/ KPIs industry benchmark and current compensation trends in the market.

**d. AUDIT COMMITTEE:**

The composition of Audit Committee has been detailed in the Corporate Governance Report.

**e. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Policy is uploaded on Company's website at www.bpml.in

**f. RISK MANAGEMENT FRAMEWORK:**

The Board of Directors of the Company has Risk Management Framework to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions.

**g. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request in terms of section 196 of the Act, the Report is being sent to all the shareholders of the Company and other entitled thereto, excluding the information particulars of which is available for inspection by the Members at the Corporate office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. Members interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

**h. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:**

None of the managerial personnel i.e. Managing Director and Whole time Directors of the Company are in receipt of remuneration/commission from the Holding or Subsidiary

Company of the Company.

**4. AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Further, there were no adverse remarks or qualifications of reservations in the audit report submitted by auditors.

**b. COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors have appointed M/s. K. G. Goyal & Associate, Cost Accountants, as a cost auditor of the Company to fill up the causal vacancy caused by resignation of Shri. R. S. Raghavan Cost Accountants of the Company for the Financial Year 2016-17 and Financial Year 2017-18.

The remuneration to be paid to Cost auditors require ratification by the shareholders and accordingly necessary resolution for ratification for seeking approval of members is included in Notice of ensuing AGM.

**c. Secretarial Auditors.**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. J. H. Fatehchandka & Co., Company Secretaries in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure – III.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure - IV which forms part of this Report

**6. MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant o Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is annexed to this Report.

**7. INSURANCE**

All the properties/assets including buildings, furnitures/ fixtures, etc. and insurable interests of the Company are adequately insured.

**8. ACKNOWLEDGMENT**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of Directors

**Anurag P. Poddar**
Chairman & Managing Director

Date: May 15, 2017.
Place: Mumbai

**ANNEXURE I**

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2017

[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:**

| | | |
|---|---|---|
| CIN | : | L21098MH2013PLC244963 |
| Registration Date | : | 29.06.2013 |
| Name of the Company | : | Balkrishna Paper Mills Limited |
| Category / Sub-Category of the Company | : | Company having Shares/ Indian Non-government Company |
| Address of the Registered office and contact details | : | A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013. Tel No. 022 6120 7900; Fax No. 022 6120 7999 |
| Whether listed company | : | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | : | Sharex Dynamic (India) Pvt. Ltd.<br>Unit No. 1 , Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072<br>Tel.: 022 -2851 5606/5644/6338; Fax: 022 -2851 2885 |

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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Manufacturing of Paper and Paper Board | 280 | 100% |
| 2 | | | |
| 3 | | | |

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

The Company has no subsidiary as on date.

**I SHARE HOLDING 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 1-04-2016 | | | | No. of Shares held at the end of the year 31-03-2017 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 855281 | - | 855281 | 7.963 | 433948 | - | 433948 | 4.041 | -3.922 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 5405594 | 0 | 5405594 | 50.332 | 5405594 | 0 | 5405594 | 50.332 | 0 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Sub-total(A)(1):** | **6260875** | **0** | **6260875** | **58.30** | **5839542** | **0** | **5839542** | **54.373** | **-3.922** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year 1-04-2016 | | | | No. of Shares held at the end of the year 31-03-2017 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(2):** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **6260875** | **-** | **6260875** | **58.30** | **5839542** | **-** | **5839542** | **54.373** | **-3.922** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 18755 | 0 | 18755 | 0.175 | 0.175 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 14905 | 0 | 14905 | 0.139 | 0.139 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | 34578 | 0 | 34578 | 0.322 | 1197 | 0 | 1197 | 0.011 | 0.311 |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FII's | 15859 | 0 | 15859 | 0.148 | 9764 | 0 | 9764 | 0.091 | -0.057 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):** | **50437** | **0** | **50437** | **0.47** | **44621** | **0** | **44621** | **0.416** | **-0.054** |
| **(2) Non-Institutions** | | | | | | | | | |
| **a) Bodies Corp.** | | | | | | | | | |
| i) Indian | 880302 | 166 | 880468 | 8.198 | 365979 | 166 | 366145 | 3.409 | -4.789 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| **b) Individuals** | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 1311028 | 134515 | 1445543 | 13.460 | 2187141 | 132275 | 2319416 | 21.596 | 8.136 |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 1897776 | 45065 | 1942841 | 18.090 | 1606090 | 45065 | 1651155 | 15.374 | -2.716 |
| **c) Others (specify)** | | | | | | | | | |
| Non-Resident Individual | 90115 | 0 | 90115 | 0.839 | 242336 | 0 | 242336 | 2.256 | 1.417 |
| Foreign National | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | 69565 | 0 | 69565 | 0.648 | 50 | 0 | 50 | 0 | -0.648 |
| Foreign Bodies | - | - | - | - | - | - | - | - | - |
| Trust | - | - | - | - | - | - | - | - | - |
| Clearing Member | 0 | 0 | 0 | 0 | 276579 | 0 | 276579 | 2.575 | 2.575 |
| **Sub-total(B)(2):** | **4248786** | **179746** | **4428532** | **41.235** | **4678175** | **177506** | **4855681** | **45.21** | **3.975** |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **4299223** | **179746** | **4478969** | **41.705** | **4722796** | **177506** | **4900302** | **45.626** | **3.921** |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **10560098** | **179746** | **10739844** | **100.00** | **10562338** | **177506** | **10739844** | **100.00** | **-0.001** |

**ii. SHAREHOLDING OF PROMOTERS:**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 1-04-2016 | | | Share holding at the end of the year 31-03-2017 | | | % 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 | Vijaylaxmi Arvindkumar Poddar | 10 | - | - | 10 | - | - | - |
| 2 | Rajiv A Poddar | 10 | - | - | 20 | - | - | - |
| 3 | Rajiv Arvind Kumar Poddar | 10 | - | - | - | - | - | - |
| 4 | Arvindkumar Mahabirprasad Poddar | 10 | - | - | 10 | - | - | - |
| 5 | Rameshkumar Dharaprasad Poddar | 11 | - | - | 33 | - | - | - |
| 6 | AKP Enterprises LLP | 26,66,493 | 24.83 | - | 2666493 | 24.83 | - | - |
| 7 | RAP Enterprises LLP | 26,63,110 | 24.80 | - | 2663110 | 24.80 | - | - |
| 8 | Khushboo Rajiv Poddar | 4,21,833 | 3.93 | - | 500 | 0.01 | - | -3.92 |
| 9 | Rishabh Sureshkumar Poddar | 10 | - | - | 10 | - | - | - |
| 10 | Shyamlata Sureshkumar Poddar | 10 | - | - | 10 | - | - | - |
| 11 | TMP Enterprises LLP | 38,902 | 0.36 | - | 38902 | 0.36 | - | - |
| 12 | GPP Enterprises LLP | 37,011 | 0.35 | - | 37011 | 0.35 | - | - |
| 13 | VKP Enterprises LLP | 13 | - | - | 13 | - | - | - |
| 14 | PKP Enterprises LLP | 13 | - | - | 13 | - | - | - |
| 15 | HSP Enterprises LLP | 13 | - | - | 13 | - | - | - |
| 16 | DPP Enterprises LLP | 13 | - | - | 13 | - | - | - |
| 17 | Pawankumar Dharaprasad Poddar | 11 | - | - | 33 | - | - | - |
| 18 | Ashadevi Ramheskumar Poddar | 108011 | 1.01 | - | 108011 | 1.01 | - | - |
| 19 | Avnish Pawankumar Poddar | 11 | - | - | 11 | - | - | - |
| 20 | Dharaprasad Ramrikhdas Poddar | 11 | - | - | 22 | - | - | - |
| 21 | Madhudevi Pawankumar Poddar | 108011 | 1.01 | - | 108011 | 1.01 | - | - |
| 22 | Vibhadevi Shrikishan Poddar | 108011 | 1.01 | - | 108011 | 1.01 | - | - |
| 23 | Shrikishan Dharaprasad Poddar | 11 | - | - | 33 | - | - | - |
| 24 | Sangeeta Pramodkumar Poddar | 108011 | 1.01 | - | 108022 | 1.01 | - | - |
| 25 | Harshit Shrikishan Poddar | 11 | - | - | 11 | - | - | - |
| 26 | Ankit Pramodkumar Poddar | 11 | - | - | 11 | - | - | - |
| 27 | Anurag Pramodkumar Poddar | 11 | - | - | 11 | - | - | - |
| 28 | Geetadevi Dharaprasad Poddar | 1146 | 0.01 | - | 1146 | 0.01 | - | - |
| 29 | Gaurav Pramod Poddar | 11 | - | - | 11 | - | - | - |
| 30 | Abhishek S Poddar | 11 | - | - | 11 | - | - | - |
| 31 | Gaurav Poddar | 11 | - | - | - | - | - | - |
| 32 | Dhara Prasad Poddar | 11 | - | - | - | - | - | - |
| 33 | Dhara Prasad Poddar | 11 | - | - | - | - | - | - |
| 34 | Dhara Prasad Poddar | 11 | - | - | - | - | - | - |
| 35 | Ramesh Kumar Poddar | 11 | - | - | - | - | - | - |
| 36 | Ramesh Kumar Poddar | 11 | - | - | - | - | - | - |
| 37 | Pawan Kumar Poddar | 11 | - | - | - | - | - | - |

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 1-04-2016 | | | Share holding at the end of the year 31-03-2017 | | | % 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 | |
| 38 | Shrikishan Poddar | 11 | - | - | - | - | - | - |
| 39 | Balgopal Holding & Traders Ltd | 5 | - | - | 5 | - | - | - |
| 40 | Poddar Brothers Investment Private Limited | 5 | - | - | 5 | - | - | - |
| 41 | S P Finance And Trading Ltd | 5 | - | - | 5 | - | - | - |
| 42 | Vishal Furnishings Ltd | 5 | - | - | 5 | - | - | - |
| 43 | Sanchna Trading & Fin. Ltd. | 3 | - | - | 3 | - | - | - |
| 44 | S P Investrade (India) Limited | 3 | - | - | 3 | - | - | - |
| | **Total** | **62,60,875** | **57.289** | **-** | **5839542** | **54.372** | **-** | **-** |

**CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 1-04-2016 | | | Share holding at the end of the year 31-03-2017 | | | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | |
| 1 | SANGEETA PRAMODKUMAR PODDAR | 108011 | 1.006 | 01-04-2016 | | | | |
| | | | | 29-04-2016 | 11 | Buy | 108022 | 1.006 |
| | -Closing Balance | | | 31-03-2017 | | | 108022 | 1.006 |
| 2 | KHUSHBOO RAJIV PODDAR | 421833 | 3.928 | 01-04-2016 | | | | |
| | | | | 24-03-2017 | -421333 | Sold | 500 | 0.005 |
| | -Closing Balance | | | 31-03-2017 | | | 500 | 0.005 |
| 3 | RAMESHKUMAR DHARAPRASAD PODDAR | 11 | - | 01-04-2016 | | | | |
| | | | | 29-04-2016 | 22 | Buy | 33 | - |
| | -Closing Balance | | | 31-03-2017 | | | 33 | - |
| 4 | PAWANKUMAR DHARAPRASAD PODDAR | 11 | - | 01-04-2016 | | | | |
| | | | | 29-04-2016 | 22 | Buy | 33 | - |
| | -Closing Balance | | | 31-03-2017 | | | 33 | - |
| 5 | SHRIKISHAN DHARAPRASAD PODDAR | 11 | - | 01-04-2016 | | | | |
| | | | | 29-04-2016 | 22 | Buy | 33 | - |
| | -Closing Balance | | | 31-03-2017 | | | 33 | - |
| | | | | | | | | |
| 6 | DHARAPRASAD RAMRIKHDAS PODDAR | 11 | - | 01-04-2016 | | | | |
| | | | | 29-04-2016 | 11 | Buy | 22 | - |
| | -Closing Balance | | | 31-03-2017 | | | 22 | - |
| | | | | | | | | |
| 7 | RAJIV A PODDAR | 10 | - | 01-04-2016 | | | | |
| | | | | 08-04-2016 | 10 | Buy | 20 | - |
| | -Closing Balance | | | 31-03-2017 | | | 20 | - |

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 1-04-2016 | | | Share holding at the end of the year 31-03-2017 | | | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | |
| 8 | DHARA PRASAD PODDAR | 33 | - | 01-04-2016 | | | | |
| | -Closing Balance | | | 29-04-2016 | -33 | Sold | - | - |
| 9 | GAURAV PODDAR | 11 | - | 01-04-2016 | | | | |
| | -Closing Balance | | | 29-04-2016 | -11 | Sold | - | - |
| 10 | PAWAN KUMAR PODDAR | 11 | - | 01-04-2016 | | | | |
| 3 | -Closing Balance | | | 29-04-2016 | -11 | Sold | - | - |
| 11 | RAMESH KUMAR PODDAR | 22 | - | 01-04-2016 | | | | |
| | -Closing Balance | | | 29-04-2016 | -22 | Sold | - | - |
| 12 | SHRIKISHAN PODDAR | 11 | - | 01-04-2016 | | | | |
| | -Closing Balance | | | 29-04-2016 | -11 | Sold | - | - |
| 13 | RAJIV ARVIND KUMAR PODDAR | 10 | - | 01-04-2016 | | | | |
| | -Closing Balance | | | 08-04-2016 | -10 | Sold | - | - |

**iii. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

| Sr. No | Name | No. of Shares at the beginning / end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of Shares | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| 1 | RAJNI TARUN JAIN | 285436 | 2.658 | 01-04-2016 | | | | |
| | | | | 14-10-2016 | -5000 | Sold | 280436 | 2.611 |
| | | | | 21-10-2016 | -35600 | Sold | 244836 | 2.28 |
| | | | | 28-10-2016 | -3416 | Sold | 241420 | 2.248 |
| | -Closing Balance | | | 31-03-2017 | -35881 | Sold | 205539 | 1.914 |
| 2 | KISHAN GOPAL MOHTA | 15000 | 0.14 | 24-06-2016 | | | | |
| | | | | 08-07-2016 | 7888 | Buy | 22888 | 0.213 |
| | | | | 15-07-2016 | 17112 | Buy | 40000 | 0.372 |
| | | | | 22-07-2016 | 164 | Buy | 40164 | 0.374 |
| | | | | 29-07-2016 | 42436 | Buy | 82600 | 0.769 |
| | | | | 12-08-2016 | 13800 | Buy | 96400 | 0.898 |
| | | | | 26-08-2016 | 3600 | Buy | 100000 | 0.931 |
| | | | | 02-09-2016 | 10000 | Buy | 110000 | 1.024 |
| | | | | 09-09-2016 | 12500 | Buy | 122500 | 1.141 |
| | | | | 28-10-2016 | -15100 | Sold | 107400 | 1 |
| | | | | 04-11-2016 | 4103 | Buy | 111503 | 1.038 |
| | | | | 11-11-2016 | 2000 | Buy | 113503 | 1.057 |
| | | | | 25-11-2016 | -103 | Sold | 113400 | 1.056 |
| | -Closing Balance | | | 31-03-2017 | | | 113400 | 1.056 |
| 3 | PORINJU V VELIYATH | 150000 | 1.397 | 02-09-2016 | | | | |
| | | | | 14-10-2016 | -100000 | Sold | 50000 | 0.466 |
| | | | | 25-11-2016 | 60000 | Buy | 110000 | 1.024 |
| | -Closing Balance | | | 31-03-2017 | | | 110000 | 1.024 |
| 4 | SUJAY SAHU | 45000 | 0.419 | 09-09-2016 | | | | |
| | | | | 16-09-2016 | 53000 | Buy | 98000 | 0.912 |

| Sr. No | Name | No. of Shares at the beginning / end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of Shares | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| | | | | 17-02-2017 | 1120 | Buy | 99120 | 0.923 |
| | -Closing Balance | | | 31-03-2017 | | | 99120 | 0.923 |
| 5 | AADISHU SECURITIES SHAH | 17025 | 0.159 | 05-08-2016 | | | | |
| | | | | 12-08-2016 | 30000 | Buy | 47025 | 0.438 |
| | | | | 02-12-2016 | -2025 | Sold | 45000 | 0.419 |
| | Closing Balance | | | 31-03-2017 | 25000 | Buy | 70000 | 0.652 |
| 6 | DR RAMESH CHIMANLAL SHAH | 45000 | 0.419 | 02-09-2016 | | | | |
| | | | | 09-09-2016 | 105250 | Buy | 150250 | 1.399 |
| | | | | 30-09-2016 | -5250 | Sold | 145000 | 1.35 |
| | | | | 07-10-2016 | -5058 | Sold | 139942 | 1.303 |
| | | | | 14-10-2016 | -5000 | Sold | 134942 | 1.256 |
| | | | | 21-10-2016 | -14942 | Sold | 120000 | 1.117 |
| | | | | 28-10-2016 | -5000 | Sold | 115000 | 1.071 |
| | | | | 11-11-2016 | -2000 | Sold | 113000 | 1.052 |
| | | | | 23-12-2016 | -2000 | Sold | 111000 | 1.034 |
| | | | | 06-01-2017 | -6000 | Sold | 105000 | 0.978 |
| | | | | 13-01-2017 | -5000 | Sold | 100000 | 0.931 |
| | | | | 10-02-2017 | -25000 | Sold | 75000 | 0.698 |
| | | | | 17-02-2017 | -10000 | Sold | 65000 | 0.605 |
| | | | | 24-02-2017 | -2000 | Sold | 63000 | 0.587 |
| | | | | 24-03-2017 | -3000 | Sold | 60000 | 0.559 |
| | -Closing Balance | | | 31-03-2017 | | | 60000 | 0.559 |
| 7 | SURESH BACHUBHAI SHAH | 15877 | 0.148 | 20-01-2017 | | | | |
| | | | | 27-01-2017 | 22001 | Buy | 37878 | 0.353 |
| | | | | 03-02-2017 | 18352 | Buy | 56230 | 0.524 |
| | -Closing Balance | | | 31-03-2017 | | | 56230 | 0.524 |
| 8 | SAROJ JUGAL MAHESHWARI | 124650 | 1.161 | 01-04-2016 | | | | |
| | | | | 15-04-2016 | -5000 | Sold | 119650 | 1.114 |
| | | | | 15-07-2016 | 10000 | Buy | 129650 | 1.207 |
| | | | | 18-11-2016 | 2500 | Buy | 132150 | 1.23 |
| | -Closing Balance | | | 31-03-2017 | -84629 | Sold | 47521 | 0.442 |
| 9 | JHP SECURITIES PVT.LTD. | 322600 | 3.004 | 01-04-2016 | | | | |
| | | | | 01-04-2016 | -196884 | Sold | 125716 | 1.171 |
| | | | | 08-04-2016 | 322600 | Buy | 448316 | 4.174 |
| | | | | 27-05-2016 | -3304 | Sold | 445012 | 4.144 |
| | | | | 03-06-2016 | -108903 | Sold | 336109 | 3.13 |
| | | | | 10-06-2016 | -5964 | Sold | 330145 | 3.074 |
| | | | | 24-06-2016 | -315520 | Sold | 14625 | 0.136 |
| | | | | 01-07-2016 | -2625 | Sold | 12000 | 0.112 |
| | | | | 15-07-2016 | -4000 | Sold | 8000 | 0.074 |
| | | | | 29-07-2016 | -4000 | Sold | 4000 | 0.037 |
| | -Closing Balance | | | 19-08-2016 | -4000 | Sold | - | - |
| 10 | VINOD M SHAH | 208500 | 1.941 | 01-04-2016 | | | | |
| | -Closing Balance | | | 02-09-2016 | -208500 | Sold | - | - |
| 11 | KISHAN GOPAL MOHTA | 122500 | 1.141 | 23-09-2016 | | | | |

| Sr. No | Name | No. of Shares at the beginning / end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of Shares | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| | | | | 21-10-2016 | -20100 | Sold | 102400 | 0.953 |
| | -Closing Balance | | | 28-10-2016 | -102400 | Sold | - | - |
| 12 | KISHAN GOPAL MOHTA | 96400 | 0.898 | 05-08-2016 | | | | |
| | -Closing Balance | | | 12-08-2016 | -96400 | Sold | - | - |
| 13 | MANISHA GUNVANTRAI SHAH | 95222 | 0.887 | 01-04-2016 | | | | |
| | | | | 02-09-2016 | -80897 | Sold | 14325 | 0.133 |
| | -Closing Balance | | | 09-09-2016 | -14325 | Sold | - | - |
| 14 | KALPANA GUNVANTRAI SHAH | 95222 | 0.887 | 01-04-2016 | | | | |
| | | | | 02-09-2016 | -53500 | Sold | 41722 | 0.388 |
| | -Closing Balance | | | 09-09-2016 | -41722 | Sold | - | - |
| 15 | ANUJ PREMKUMAR AGARWAL | 62997 | 0.587 | 01-04-2016 | | | | |
| | -Closing Balance | | | 02-09-2016 | -62997 | Sold | - | - |
| 16 | SUMEET JUGAL MAHESHWARI | 62282 | 0.58 | 01-04-2016 | | | | |
| | | | | 29-07-2016 | -7229 | Sold | 55053 | 0.513 |
| | | | | 24-03-2017 | -55038 | Sold | 15 | 0 |
| | -Closing Balance | | | 31-03-2017 | -15 | Sold | - | - |
| 17 | NITIN KANJI SHAH | 56226 | 0.524 | 01-04-2016 | | | | |
| | | | | 24-06-2016 | -11245 | Sold | 44981 | 0.419 |
| | | | | 05-08-2016 | -4799 | Sold | 40182 | 0.374 |
| | | | | 12-08-2016 | -2 | Sold | 40180 | 0.374 |
| | | | | 19-08-2016 | -9908 | Sold | 30272 | 0.282 |
| | | | | 26-08-2016 | -30272 | Sold | - | - |

**iv. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| Sr. 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 | Anurag Poddar | | | | |
| | At the beginning of the year | 11 | - | 11 | - |
| | At the End of the year | 11 | - | | |
| 2 | Ankit Poddar | | | | |
| | At the beginning of the year | 11 | - | 11 | - |
| | At the End of the year | 11 | - | | |
| 3 | Shrutisheel Jhanwar | | | | |
| | At the beginning of the year | 25 | - | 25 | - |
| | At the End of the year | 25 | - | | |
| 4 | Omprakash Singh | | | | |
| | At the beginning of the year | - | - | | |
| | At the End of the year | - | - | | |

**II INDEBTEDNESS:**

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

(₹ in Crores)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 69.39 | 10.00 | 2.58 | 81.97 |
| ii) Interest due but not paid | 0.60 | - | - | 0.60 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **69.99** | **10.00** | **2.58** | **82.57** |
| **Change in Indebtedness during the financial year** | | | | |
| · Addition | | | | |
| · Reduction | | | | |
| Net Change | (2.93) | 1.35 | 0.18 | (1.40) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 66.67 | 11.35 | 2.76 | 80.78 |
| ii) Interest due but not paid | 0.39 | - | - | 0.39 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **67.06** | **11.55** | **2.76** | **81.17** |

**III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. Remuneration to Managing Director, Executive Director, Whole-time Directors and/or Manager: (Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Anurag Poddar | Ankit Poddar | Shrutisheel Jhanwar | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 40,59,142 | 40,62,120 | 39,90,408 | 1,21,11,670 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 28,800 | 28,800 | 28,800 | 86,400 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | - others, specify | | | | |
| 5 | Others, please specify | | | | |
| | **Total (A)** | **40,87,942** | **40,90,920** | **40,19,208** | **1,21,98,070** |

**B. REMUNERATION TO OTHER DIRECTORS:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount RS. |
|---|---|---|---|---|---|---|
| | | Harish N. Motiwalla | Sachindra Nath Chaturvedi | Rakesh Garodia | Meghan Shah | |
| **1.** | **Independent Directors** | | | | | |
| | · Fee for attending Board / Committee meetings | 90,000 | 90,000 | 70,000 | 50,000 | 3,00,000 |
| | · Commission | - | - | - | - | - |
| | · Others, please specify | - | - | - | - | - |
| | **Total (1)** | **90,000** | **90,000** | **70,000** | **50,000** | **3,00,000** |

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount RS. |
|---|---|---|---|---|---|---|
| | | Harish N. Motiwalla | Sachindra Nath Chaturvedi | Rakesh Garodia | Meghan Shah | |
| | | | | | | |
| **2.** | **Other Non-Executive Directors** | | | | | |
| | · Fee for attending board / committee meetings | - | - | - | - | - |
| | · Commission | - | - | - | - | - |
| | · Others, please specify | - | - | - | - | - |
| | **Total (2)** | **-** | **-** | **-** | **-** | **-** |
| | **Total (B)=(1+2)** | **90,000** | **90,000** | **70,000** | **50,000** | **3,00,000** |
| | **Total Managerial Remuneration** | | | | | |

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

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Omprakash Singh# | CFO* | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 17,76,192 | - | 17,76,192 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total** | **17,76,192** | **-** | **17,76,192** |

*please refer to the Remuneration of Shri Shrutisheel Jhanwar who is acting as CFO without any additional remuneration which he is receiving in capacity of Whole-time Director.

**IV PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | NIL | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**ANNEXURE II**

## FORM NO. AOC- 2.

Particulars of Contracts/ Arrangements with Related Parties

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NONE
2. Details of material contracts or arrangement or transactions at arm's length basis.

(₹ in Lakhs)

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |

**For and on behalf of the Board of Directors**

| **Anurag P. Poddar** | **Shrutisheel Jhanwar** | **Omprakash Singh** |
|---|---|---|
| Chairman and Managing Director | Chief Financial Officer & Whole-time Director | Company Secretary |

Place : Mumbai.

Date : May 15, 2017

**ANNEXURE III**

# FORM NO.3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,

The Members/ Board of Directors,

Balkrishna Paper Mills Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions of the Act, Rules and Regulations as mentioned below and the adherence to good corporate practices by **Balkrishna Paper Mills Limited (**hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the Financial Year ended 31st March, 2017, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and / or Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

  (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;

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

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

(ii) Uniform Listing Agreements entered into by the Company with the Stock Exchange(s) and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I 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. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

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

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

(ii) Redemption / buy-back of securities .

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

**For J. H. Fatehchandka & Co.,**
Company Secretaries

Jugalkishore Fatehchandka
Proprietor
FCS No.: 3392
C P No.:4942

Place : Mumbai.
Date : May 15, 2017.

## ANNEXURE – IV

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**A. CONSERVATION OF ENERGY:**

(a) Energy Conservation measures taken by the Company;

(i) Electrical Energy:

The Company is regularly monitoring the overall consumption of energy periodically during the year and losses if any are identified and suitable improvement action carried out immediately.

(ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

(b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy;

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

**I. Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder:**

| **FORM 'A'** | | | **Current Year** | **Previous year** |
|---|---|---|---|---|
| | **POWER AND FUEL CONSUMPTION:** | | | |
| **1** | **Electricity** | | | |
| a | Purchased | | | |
| | | Units (KWH) | 80,42,350 | 22,38,614 |
| | | Total amount (₹ in Lakhs) | 670.26 | 270.16 |
| | | Rate/Unit (₹) | 8.33 | 12.07 |
| b | Own Generation | | | |
| | | Units (KWH) | 2,21,12,940 | 2,30,83,330 |
| | | Total amount (₹ in Lakhs) | 872.53 | 940.71 |
| | | Rate/Unit (₹) | 3.95 | 4.07 |
| **2** | **Coal (specify quality and where used)** | | | |
| | | The Company uses Steam Coal grade B/C in its Boilers | | |
| | | Quantity (Tons) | 43,457.78 | 38,394 |
| | | Total Amount (₹ in Lakhs) | 2,356.44 | 1,955.86 |
| | | Average rate (₹/Ton) | 5,426 | 5,094 |

| | | | | |
|---|---|---|---|---|
| **3** | **H.S.D/L.D.O./Furnace Oil** | | | |
| | | Quantity (K.Ltrs) | 57,312 | 65,341 |
| | | Total Amount (₹ in Lakhs) | 34.34 | 40.33 |
| | | Average rate (₹/KL)(Net of Modvat, Wherever applicable) | 59.92 | 61.72 |

**II. Consumption per unit of production:**

| Electricity (KWH) | Coal (Kgs) | Furnace Oil (Ltr) |
|---|---|---|
| 0.505<br>(0.498) | 729.08<br>(754.05) | - |

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption as per Form 'B':

**FORM 'B'**

**I. Research and development (R&D):**

1. Specific areas in which R&D carried out by the Company:

   Product and quality improvement, development of new products, cost control and energy conservation.

2. Benefits derived as a result of the above R&D:

   The R&D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.

3. Future plan of action:

   Water and energy conservation and further improvement in process technology and product mix.

4. Expenditure on R&D (₹ in Lakhs):

   (a) Capital : NIL

   (b) Recurring : NIL

   (c) Total : NIL

**II. Technology absorption, adaptation and innovation:**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

   The Company has been developing in-house modification/improvements in Process Technology in its various manufacturing sections-which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits – which, when found suitable, are integrated into the regular manufacturing operation:

   (a) Quality improvement. N.A.

   (b) Energy conservation. N.A.

**C. FOREIGNEXCHANGE EARNINGS& OUTGO:**

(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;

The Export of Paper & Paper Board during the year amounted to ₹43.25 Crores.

(b) Total foreign exchange used and earned (₹ in Crores)

Used: ₹31.28 Crore Earned: ₹ 43.25 Crores

## MANAGEMENT DISCUSSION AND ANALYSIS:

**Current Year Review**

The company is a public limited company incorporated under the Companies Act, 2013, having its registered office at Mumbai, Maharashtra. The Company has its primary listings on BSE Limited and NSE Limited in India. The Company has changed its name from Nirvikara Paper Mills Limited to Balkrishna Paper Mills Limited w.e.f. 23rd August, 2016. The change of name of the Company does not change the legal status or constitution of the Company. A fresh Certificate of Incorporation pursuant to the said change of name had been issued by ROC, Mumbai.

The Company is engaged in manufacturing of Paper and Paper Boards, which are being used mainly for packaging industry, catering to the needs of Pharmaceuticals, Cosmetics, Health Care Products, Readymade Garments, Food Products, Match Boxes and mainly for FMCG Segments.

The Company is in a single segment i.e. Paper and paper board products. Hence, product wise performance is not provided in this report.

During the year under review, your Company under the expansion & up-gradation programme had successfully installed modern technology machine for manufacturing of duplex board with the annual capacity of 63000 M.T. for which MPCB had accorded their consent to operate the same. In November, 2016, the company has also commissioned RO plant at its factory at Ambivali to achieve zero discharge, i.e. complete recycling of water.

Risk and concern

The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Risk of price fluctuation is based on basic raw material viz. waste paper, chemicals, coal, used in the process of manufacturing. Currently, the risks are reviewed by the management of the Company periodically.

The Company's operations are subject to high working capital requirements. Interest rate risk resulting from changes in prevailing market rates can cause an impact on the financials of the Company. The Company recognized the risk from cash flow fluctuations on regular basis as a part of the liquidity planning.

**Opportunities and Threats**

The Paper industry played a very important role in the world economy. Global consumption of paper and paper board grew from 352 million tonnes in 2005 to 400 million tonnes in 2016. The impact of rising inputs costs and raw material availability over the previous years had subsided but still are much higher compared to other countries, this coupled with cheap imports of finished goods from China and other Asian countries is adversely affecting margins. However, the low per capita consumption of paper and paper board in the Country is bound to increase the consumption of paper with the growth in the GDP. Several factors like Governments increased focus on education sector, increased corporate activity and lifestyle changes, e-commerce, increased demand for packaging, growing affluence of the population, ban on plastic packaging etc., are expected to contribute to increase in the demand for Paper and Paper Board in India. The paper industry in India has become more promising as the domestic demand is on the rise. In the coming year, expecting significant increase in consumptions of paper and paper board products in domestic market.

Demonetization has affected the pace of growth of the company due to non-availability of waste papers from the domestic market in last two quarters of the financial year under review. Post demonetization, paper industry is slowly came to the revival stage. Further, increasing coal and logistics cost, small and unorganized industry players, sourcing of raw materials i.e. waste paper pose as a challenge to the Industry.

**Human Resources and Industrial Relations**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity, to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel.

The Company has entered into Memorandum of Settlement on 31st August, 2016 for long term revision of wages with Bhartiya Kamgar Sanghatana for the period from 01/06/2016 to 31/05/2020 in respect of Ambivali Factory. Industrial relations are cordial and satisfactory with the workers and staff.

The Company has organized 'Kaizen and 5 S Activities' programme for employees to enhance the productivity, quality, cost, delivery, safety and morale improvement.

The Company has also drawn specific programme to improve the skill of the workers and staff. Further, there is continues interaction between the Management, Unions and Labour for improving the knowledge and training of the workers.

**Internal control system**

The Company has an adequate and effective internal control system. It has a Corporate Internal Audit team consisting of qualified professionals and system experts which reviews the internal control system on a regular basis to improve its effectiveness besides verifying statutory compliances. In addition, services of external Audit firms are also availed as and when needed to further strengthen its effectiveness. Based on the Annual Internal Audit programme approved by Audit Committee of the Board, regular internal audits are conducted covering the office & factories of the Company. The detailed internal audit report alongwith executive summary placed before the Audit committee periodically which reviews the findings of the Audit Team and discusses the actions taken with management in addition to reviewing the effectiveness of Company's internal controls and monitoring implementation of audit recommendations. The Company maintains all its records in ERP system and the work flow and majority of approvals are routed through the system. The CMD & CFO certification elsewhere provided in this Annual Report discusses the adequacy of internal control system and procedures in place.

**Forward Looking Statements**

Statements in this 'Management Discussion and Analysis Report' covers forward looking statements describing the current industry structure, projections, estimates, expectations, outlook, opportunities, etc. based on certain assumptions of future events, the actual results could differ materially from those expressed or implied, since the Company's operations are influenced by external and internal factors beyond the Company's control. Important developments that could affect the Company's operations include the downward trend in the paper industry, rise in inputs cost and its availability, finished goods prices, exchange rate fluctuations, global and domestic demand supply conditions, significant changes in political & economic environment standards in India, changes in government regulations, tax laws, litigation and labour relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17

**I. Company's Philosophy**

Balkrishna's philosophy on Corporate Governance aims at achieving long term viability of the business by taking into consideration the customers' satisfaction in terms of quality, cordial relationship with shareholders. Corporate Governance is a continuous process that aims to align interest of the Company with its shareholders and other stakeholders. The principal characteristics of corporate governance are transparency, independence, accountability, fairness and responsibility. The company has a strong legacy of fair, transparent and ethical governance practices and compliance with statutory and legal requirements. The Company has formulated, interalia, various policy documents and introduced best practices of governance like Code of Conduct, Prohibition of insider trading policy, whistle blower policy etc.

The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended March 31, 2017, as per the format prescribed by SEBI (LODR) Regulations, 2015 (the Listing Regulations or Listing Agreements) are set out below for the information of the shareholders of the Company.

**II. Board of Directors**

**Composition:**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2017, the Board comprises of 7 (Seven) Directors, out of which 3(Three)) are Executive and Non Independent Directors, and 4(Four) are Non-Executive and Independent Directors. The Chairman is an Executive Director designated as Chairman and Managing Director of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

| Name of Directors | Category of Directors | Attendance | | Directorship in other Public Companies** | Committee Positions (excluding Balkrishna)*** | |
|---|---|---|---|---|---|---|
| | | Board | Last AGM | | Chairman | Member |
| Shri Anurag P. Poddar * | Chairman and Managing Director–Executive & Non-Independent Director | 4 | Yes | - | - | - |
| Shri Ankit P. Poddar * | Executive & Non-Independent Director | 4 | Yes | - | - | - |
| Shri Sachindra Nath Chaturvedi @ | Non-Executive & Independent Director | 5 | Yes | 4 | 3 | 4 |
| Shri Harish N. Motiwalla @ | Non-Executive & Independent Director | 5 | Yes | 7 | 6 | 1 |
| Shri Rakesh N. Garodia @ | Non-Executive & Independent Director | 4 | No | 5 | - | 12 |
| Smt. Meghna Shah @ | Non-Executive & Independent Director | 4 | Yes | - | - | - |
| Shri Shrutisheel Jhanwar * | Executive & Non-Independent Director | 4 | yes | - | - | - |

@ Term of office of all above Non-Executive & Independent Directors is of 5 Consecutive years commencing from February 11, 2015 to February 10, 2020.

* Term of Office of the above Executive & Non-Independent Directors is from February 11, 2015 to February 10, 2018.

** The Directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

*** Memberships/chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public limited companies has been considered.

**Board Meetings:**

During the year, 4 (Four) Board Meetings were held on May 7, 2016, July 29, 2016, November 12, 2016 and February 04, 2017. The Annual General Meeting was held on September 09, 2016.

**Independent Directors Meeting:**

There was one Independent Directors Meeting held on March 17, 2017. All four Independent Directors were present at the said meeting.

**Board procedures**:

Agenda papers for the Board and committee meeting are finalised in consultation with concern persons. The minutes of proceeding of each board meetings are maintained in terms of statutory provisions. The minutes of committee are placed before the Board on regular basis. The Agenda and notes to agenda for the Board & Committee meetings are circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under the provision of SEBI (LODR) Regulations, 2015/Uniform Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Chairman & Managing Director/ Executive (s), at the Board Meetings, keeps the Board apprised

of the overall performance of the Company.

**Performance Evaluation:**

During the year under review, the Board designed and conducted a formal evaluation mechanism for evaluating performance of the Board, its Committees and individual directors including the Chairman and Managing Director of the Company.

**Familiarisation Programme for Board Members:**

The Company designed the programmes and measures to familarise Independent Directors regarding Company, its business, updates, growth includes various measures i.e. issue of appointment letters containing the terms of appointment, duties, responsibilities etc. The policy and programme aims to provide insights into the Company to enable independent directors to understand the business, manufacturing, finance and other related matters. The details of such familiarisation programmes have been displayed under the head Investor on the Company's website or link, http://www.bpml.in

**III. Audit Committee**

**Terms of Reference:**

The scope of activities of the Audit Committee is as set out in Regulation 18, Part C of Schedule II of SEBI (LODR) Regulations, 2015/ Uniform Listing Agreement read with Section 177 of the Companies Act, 2013. These broadly includes oversights of financial reporting process, review reports of the Internal Auditors and to discuss the same with them periodically, to meet Statutory Auditors to discuss their findings/ suggestions, to review weaknesses in internal controls reported by Internal and Statutory Auditors and internal control systems, appointment and payment to statutory auditors, approval of related party transactions, to review quarterly/half yearly/annual financial results and other matters.

**Audit Committee Composition:**

The Audit Committee consists of 3 (three) Independent Directors and 1 (one) Whole time Director having requisite knowledge of Finance, Accounts and Company Law. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 (1) of SEBI (LODR) Regulations, 2015. The Company Secretary, Shri Omprakash Singh, acts as the Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting.

**Audit Committee Meetings:**

During the year under review, the Committee met 4 times on 7th May, 2016, 29th July 2016, 12th November, 2016 and 4th February 2017.

**Name of the Committee Members along with their attendance is given below:**

| Name of the Member | Designation | No. of meeting attended |
|---|---|---|
| Shri. Sachindra Nath Chaturvedi | Chairman | 4 |
| Shri. Harish N. Motiwalla | Member | 4 |
| Shri. Rakesh N. Garodia | Member | 3 |
| Shri. Shrutisheel Jhanwar | Member | 4 |

**IV. Nomination and Remuneration Committee:**

**Terms of Reference:**

Terms of reference of the Nomination and Remuneration Committee includes the matters specified under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015/ Uniform Listing Agreement. The main reference includes formulation of remuneration policy, remuneration payable and determining the package to the Managing Directors, Executive Directors and Whole-time Directors, commission to be paid to the Directors.

**Nomination and Remuneration Committee Composition, Meetings held and Attendance:**

**Composition**:

The Committee consists three wholly Non-Executive and Independent Directors, as under:

**Name of the Committee Members:**

| Name of the Member | Designation |
|---|---|
| Shri. Sachindra Nath Chaturvedi | Chairman |
| Shri. Harish N. Motiwalla | Member |
| Shri. Rakesh N. Garodia | Member |

The Chairman of the Committee is an Independent Director.

**Meetings**:

During the year under review, there were no meetings of the committee.

**Remuneration Policy**:

The Board on recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Directors, KMP and Senior Management Employees as enumerated below:

**Remuneration of Non Executive Directors**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission, if any, subject to approval of the members.

**Remuneration of Managing Director/Whole Time Directors**.

1. At the time of appointment or re-appointment of the Managing Director/Executive Director/Whole Time Directors, such remuneration shall be paid as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director/Executive Director/Whole Time Directors within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3. The remuneration of the Managing Director/Executive Director/Whole Time Directors are broadly divided into Basic Salary, Allowances, perquisites, amenities, retirement benefits and commission (subject to availability of profits)..
4. In determining the remuneration the Nomination and

Remuneration Committee shall ensure/consider the following :-

a. The relationship of remuneration and performance benchmark is clear.

b. Responsibility required to be shouldered by the Managing Director/ Executive Director/Whole Time Directors, the industry benchmarks and the current trends.

c. The company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

**Remuneration of Senior Management Employees**:

The Board, on the recommendations of the Nomination and Remuneration Committee approves the remuneration payable to the KMP and Senior Management Personnel. The structure of remuneration payable to KMP and Senior Management Personnel will be in accordance with the compensation framework adopted for employees by the HR department of the Company.

**Details of Directors' Remuneration * for the year 2016-17 are given below:-**

(₹in Lakhs)

| Name of Director | Salary & Other Perquisites | Sitting Fees | Commission | Total Remuneration |
|---|---|---|---|---|
| Shri Anurag P. Poddar | 40.88 | - | - | 40.88 |
| Shri Ankit P. Poddar | 40.91 | - | - | 40.91 |
| Shri Shrutisheel Jhanwar | 40.19 | - | - | 40.19 |
| Shri Sachindra Nath Chaturvedi | - | 0.90 | - | 0.90 |
| Shri Harish N. Motiwalla | - | 0.90 | - | 0.90 |
| Shri Rakesh N. Garodia | - | 0.70 | - | 0.70 |
| Smt. Meghna Shah | - | 0.40 | - | 0.40 |
| **Total** | | **2.90** | **-** | **124.88** |

* Remuneration includes Basic Salary, Allowance, Perquisites, Company's contribution to Provident Fund, Gratuity Fund, Provision for Gratuity and Leave Salary.

**V. Stakeholders Relationship Committee:**

**Terms of Reference:**

Term of Reference and role of the Stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee deals with all matters relating to Stakeholders/Investors Grievance and its redressal.

**Name of the Committee Members:**

| Name of the Member | Designation |
|---|---|
| Shri Rakesh N. Garodia | Chairman & Independent Director |
| Shri Harish N. Motiwalla | Member |
| Shri Anurag P. Poddar | Member |
| Shri Shrutisheel Jhanwar | Member |

**Stakeholders Relationship Committee Meetings:**

During the year there was no meeting of the Stakeholders Relationship Committee.

**Stakeholders Grievance Redressal:**

During the year ended 31st March, 2017, no Shareholders' Complaints were received. There were no outstanding complaints at the end of the year.

The Company Secretary, Shri Omprakash Singh, has been designated as Compliance Officer.

**VI. Other Committees:**

**Share Transfer Committee:**

**Terms of Reference:**

The Share Transfer Committee deals with all matters relating to transfer of Shares, issue of duplicate/ new shares, sub-divided and consolidated share certificates, demat / remat.

**VII. Independents Directors Meeting**.

All the Independents Directors' of the company met once on 17th March, 2017 during the financial year, inter-alia, to consider:

- the performance for Non-Independent Directors and the Board as a whole.
- the performance of the Chairman and Managing Director of the Company.
- Assessing the quality, quantity and timeliness of flow of information.

**VIII. Information on Annual General Meeting:**

| Financial Year | Date | Time | Venue |
|---|---|---|---|
| 2013-2014 | 10th September, 2014 | 2.00 p.m | BKT House, C/15, Trade World, Kamala Mills City, S.B. Marg, Lower Parel (W), Mumbai 400013. |
| 2014-2015 | 24th August, 2015 | 2.30 p.m. | Sunville 9, Dr. Annie Besant Road, Worli, Mumbai 400 018. |
| 2015-2016 | 9th September, 2016 | 2.30 p.m. | Sunville 9, Dr. Annie Besant Road, Worli, Mumbai 400 018 |

The following are the special resolutions passed at AGM/ EOGM during last three financial years.

| Date of AGM/EOGM | Summary of special resolution passed |
|---|---|
| 13.08.2014 | Reduction of equity share capital of the company |
| 12.02.2015 | • Appointment of Shri Anurag Poddar as Chairman and Managing Director from 11/02/2015 to 10/02/2018.<br>• Appointment of Shri Ankit Poddar as a Whole-time Director designated as an Executive Director from 11/02/2015 to 10/02/2018.<br>• Appointment of Shri Shrutisheel Jhanwar as a Whole-time Director from 11/02/2015 to 10/02/2018.<br>• Alteration of Articles viz. Adoption of new set of Articles of Association of the Company.<br>• Alteration of Object Clause viz. Insertion of new clause of "Power Generation and Consumption" in clause objects incidental or ancillary to the attainment of the main objects III (B) 26(a) and 26(b).<br>• Increase in Authorised Share Capital of the Company from ₹ 5 Lakhs to ₹ 11 Crores.<br>• Increase in borrowing limit upto ₹200 crores under section 180(1)(c) of the Companies Act, 2013.<br>• Authorised Board to create charges, mortgages and hypothecation on movable and immovable properties of the Company not exceeding ₹ 200 Crores. |
| 24.08.2015 | Authority to invite/accept/ renew/receive money by way of unsecured/secured deposits. |

**Special Resolutions passed through postal ballot**

The Following special resolution passed through Postal Ballot as provided under Section 110 of the Companies Act, 2013:

1. **Disinvestment of shares of subsidiary company viz. Balkrishna Synthetics Ltd.**

   Special Resolution pursuant to the Clause 49(V)(E) and Clause 49 (V)(F) of the Listing Agreement, provisions of Section 180(1)(a), Section 110 and other applicable provisions of the Companies Act, 2013 for Disinvestment of shares of subsidiary company viz. Balkrishna Synthetics Ltd., through postal ballot notice dated 5th November, 2015:

2. **Change of Name of the company from Nirvikara Paper Mills Limited to Balkrishna Paper Mills Limited**

   Special Resolution pursuant to the section 13 and section 14 of the Companies Act, 2013, Companies (Incorporation) Rules, 2014 and other applicable provisions and rules, if any, of the Companies Act 2013, regulation 45 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for change of the existing name of the Company from "Nirvikara Paper Mills Limited" to "Balkrishna Paper Mills Limited" through postal ballot notice dated 1st July, 2016.

**IX. Code of Conduct**

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained. Declaration regarding compliance by Board Members and Senior Management with the said code is given in **Annexure-A** to this Report. In addition the Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. The Code is applicable to all the Directors and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished price sensitive

**XI. Disclosures:**

(1) During the year under review, there were no materially significant transactions with related parties that may have potential conflict with the interest of the Company All Related party transactions have been disclosed in the notes to financial statements and in Board's Report.

(2) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last two years.

(3) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

(4) The Company has a well defined Risk Management Policy covering identifying business risks of the Company and laying procedures for minimizing the risk.

(5) No money was raised by the Company through public issue, rights issue, preferential issues etc., in the last financial year.

(6) The Company has a Whistle Blower Policy for Directors and Employees for establishing a vigil mechanism to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethical policy. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. No employee of the Company was denied access to the Audit Committee. The protected disclosure should be made to the Chairman of the Audit Committee to the email ID:snchaturvedi@gmail.com.

(7) The Company is in compliance with all mandatory requirements of Uniform Listing Agreement/SEBI (LODR) Regulations, 2015 and the adoption non-mandatory requirements is being reviewed by the Board from time-to-time.

(8) here were no pecuniary relationships or transactions of non-executive director's vis-à-vis the Company during the year under review, except payment of sitting fees & in one of the case where the Company has paid professional fees to Chaturvedi & Co., in which one of the director is interested.

**XII. Means of Communication:**

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results and announces forthwith results to all the Stock Exchanges, where the shares are listed. The same are published in one English daily newspaper and one Marathi newspaper (Mumbai edition) and displayed on the Company's website- www.bpml.in.

Annual Report containing inter-alia, Board's Report, Auditor's Report, Audited Financial Statements etc. circulated to members and others entitled thereto. The Annual Report is also available on the website of the Company.

**Website:** The Company's website www.bpml.in contains an exclusive head "Investor Relations" where shareholders information is available. Quarterly and annual financial results, annual report, notice of AGM, shareholding pattern, corporate governance etc. are also available on the website.

**XIII. General Shareholder Information:**

| | | |
|---|---|---|
| 1. | **Annual General Meeting** :<br>Day/ Date:<br>Time :<br>Venue: | <br>Wednesday, 19th July, 2017<br>at 2.30 p.m.<br>Sunville Banquets,<br>9, Dr. Annie Besant Road,<br>Near Poonam Chambers,<br>Worli, Mumbai - 400018. |
| 2. | **Financial Calendar (Tentative)** | |
| | Financial Year of the Company | 1st April, 2017 to 31st March, 2018. |
| | Results for the Quarter ending:<br>June 30, 2017<br>September 30, 2017<br>December 31, 2017<br>March 31, 2018 | <br>On or before 14th August, 2017.<br>On or before 14th November, 2017<br>On or before 14th February, 2018<br>On or before 15th May, 2018 (Unaudited)<br>Or on or before 30th May, 2018 (Audited). |
| 3. | **Date of Book Closure**: | Friday, 14th July, 2017 to Tuesday, 18th July, 2017 (both days inclusive). |
| 4. | **Dividend** | The Board has not recommended the dividend for the year under review. |
| 5. | **Listing of Equity Shares on the Stock Exchanges**: | 1. BSE Limited,<br>P. J. Towers,<br>Dalal Street, Fort,<br>Mumbai 400 001.<br>2. National Stock Exchange of India Ltd.<br>Exchange Plaza,<br>Bandra-Kurla Complex,<br>Bandra (East),<br>Mumbai 400 051.<br>The Company has paid annual listing fee for the F.Y. 2017-18 within time. |

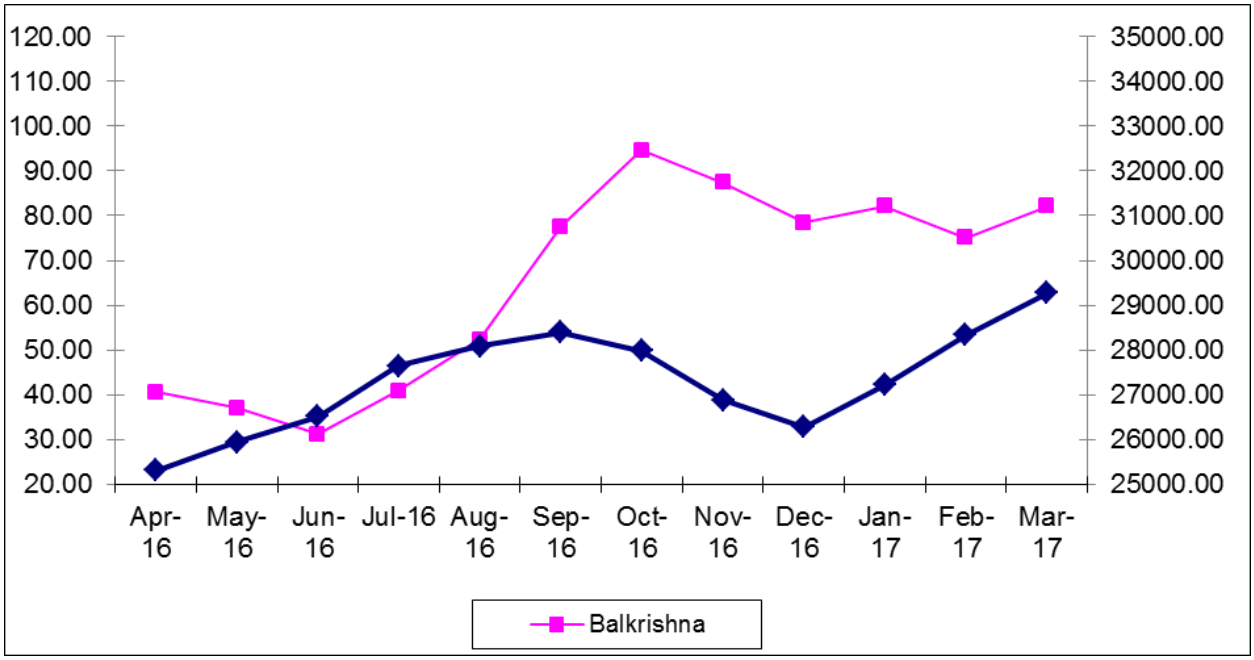
**6. Stock Code/Symbol:**

| (a) Stock Exchange | Stock Code/ Symbol |
|---|---|
| 1. Bombay Stock Exchange Ltd. | 539251 |
| 2. National Stock Exchange of India Ltd. | BALKRISHANA |
| (b) Demat ISIN Number in NSDL & CDSL for Equity Shares | INE875RO1011 |

**7. Stock Market Price Data:**

| Month | Bombay Stock Exchange (BSE) * | | National Stock Exchange (NSE) * | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April-2016 | 44.95 | 36.20 | 46.80 | 36.10 |
| May-2016 | 41.40 | 32.70 | 41.80 | 32.50 |
| June-2016 | 35.90 | 26.40 | 35.65 | 26.80 |
| July-2016 | 49.80 | 32.00 | 50.00 | 32.00 |
| Aug-2016 | 68.45 | 36.25 | 67.75 | 36.05 |
| Sep-2016 | 88.80 | 66.40 | 89.00 | 66.00 |
| Oct-2016 | 119.50 | 69.60 | 119.75 | 68.65 |
| Nov-2016 | 107.95 | 67 | 104.80 | 70.00 |
| Dec-2016 | 84.85 | 72 | 85.00 | 72.00 |
| Jan-2017 | 90.15 | 74.15 | 89.95 | 73.70 |
| Feb-2017 | 82.25 | 68 | 83.90 | 68.00 |
| Mar-2017 | 97.20 | 67.15 | 97.45 | 65.00 |

**8. Performance of Nirvikara Paper Mills Limited share price in comparison to BSE Sensex.**




**9. Registrar and Transfer Agents (w.e.f June 07, 2016):**

| **Name & Address:** | **Telephone No. :** +91 (022) 2851 5606/5644/6338 |
|---|---|
| Sharex Dynamic (India) Pvt. Ltd.<br>Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road,<br>Andheri (East), Mumbai – 400072. | **Fax No.** : +91 (022) 2851 2885.<br>**E-mail** : menon@sharexindia.com<br>**Website** : www.sharexindia.com |

**10. Share Transfer System:**

The shares received for transfers duly completed in all respect in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks. All transfer requests received are processed and approved by the Shareholders'/ Investors' Grievance Committee.

**11. Distribution of Shareholding as on 31st March, 2017.**

| Sr. No. | No of shares | Holding | Amount (₹) | % to Capital | No of Holders | %to Total Holders |
|---|---|---|---|---|---|---|
| 1 | 1 - 500 | 690624 | 6906240 | **6.43** | 12076 | 9.38 |
| 2 | 501-1000 | 400449 | 4004490 | **3.73** | 498 | 3.76 |
| 3 | 1001-2000 | 473155 | 4731550 | **4.41** | 309 | 2.34 |
| 4 | 2001-3000 | 298690 | 2986900 | **2.78** | 117 | 0.89 |
| 5 | 3001-4000 | 174418 | 1744180 | **1.62** | 49 | 0.37 |
| 6 | 4001-5000 | 190239 | 1902390 | **1.77** | 40 | 0.30 |
| 7 | 5001-10000 | 469589 | 4695890 | **4.37** | 63 | 0.48 |
| 8 | 10001 and above | 8042680 | 80426800 | **74.89** | 63 | 0.48 |
| | **TOTAL** | **10739844** | **107398440** | **100.00** | | **100.00** |

**12. Shareholding pattern as on 31st March, 2017.**

| Sr. No. | Category | No of shares held | Percentage of Shareholding |
|---|---|---|---|
| 1. | Promoters | 5839542 | 54.37 |
| 2. | Banks/Financial Institutions | 16102 | 0.15 |
| 3. | FIIs/OCBs/Foreign Companies | 9764 | 0.09 |
| 4. | Private Corporate Bodies | 389039 | 3.62 |
| 5 | Mutual Funds/UTI/Insurance Cos | 18755 | 0.18 |
| 6. | Non Residents Individuals | 219490 | 2.04 |
| 7. | Indian Public /Trusts | 3970573 | 36.97 |
| 8 | **Clearing Members** | 276579 | 2.58 |
| | **TOTAL** | 10739844 | 100.00 |

**13. Dematerialization of shares and liquidity:**

98.34% of the Company's paid up Equity Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) as on March 31, 2017.

**14. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**15. Commodity price risk or foreign exchange risk and hedging activities.**

Risks are associated with various forex exposures like translation, transaction, economic etc. which the Company would have on risk on net import side. Import exposures includes Trade Payables, Trade Buyer's Credit, Interest Payable, CAPEX Buyer's Credit etc. and export exposure includes trade receivable etc.

There are various financial instruments for hedging which are available to mitigate these risks like Forward Contracts, Option Contracts and interest rate swap. Based on the risks involved in the hedging instrument, the Company is normally using Forward Cover as measure for mitigating the Forex Volatility.

The ECB Loan in Foreign Currency are fully hedged. Further, the Company has hedged the interest rate swap on the said ECB Loan also

**16. Plant Locations:**

1. Ambivali Plant: Unit-1 (Paper/Paper Board & Coating Plant), Village Ambivali P.O. Mohane, Taluka Kalyan, Dist Thane-421102.
2. Bhiwandi Plant: Unit- 2 (Cutting & Packing Unit) F3 & F4 Bhiwandi Nashik Road, Village Dhamangoan, Taluka Bhiwandi, Dist. Thane-421302.

**17. Address for Correspondence:**

**BALKRISHNA PAPER MILLS LIMITED**

**Registered Office**

A/7, Trade World, Kamala City, Senapati Bapat Marg,
Lower Parel (W), Mumbai- 400013.
Tel. No: 022-61207900. Fax No.: 022-61207999
Website : www.bpml.in
Email: opsingh@bpml.in

**REGISTRAR & SHARE TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd.
Unit no.1, Luthra Ind.Premises, Safed Pool,
Andheri Kurla Road, Andheri (East), Mumbai – 400072.
Telephone No. : +91 (022) 2851 5606/5644/6338
Fax No. : +91 (022) 2851 2885.
E-mail : menon@sharexindia.com
Website : www.sharexindia.com

For **BALKRISHNA PAPER MILLS LIMITED**

**ANURAG P. PODDAR**
Chairman & Managing Director

Place: Mumbai.
Date : May 15, 2017.

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**Annexure – A**

**Declaration**

In accordance with the Regulation 26(3) of the SEBI (LODR) Regulation 2015, I, hereby declare that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended March 31, 2017.

For **BALKRISHNA PAPER MILLS LIMITED**

**ANURAG P. PODDAR**
Chairman & Managing Director

Place: Mumbai.
Date : May 15, 2017.

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**CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER TO THE BOARD**

We, the undersigned, in our respective capacities as Chairman and Managing Director and Chief Financial Officer of the Company to the best of knowledge and belief certify that:

(a) We have reviewed financial statements for the year and that to the best of our knowledge and belief :

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.

We indicate to the Auditors and to the Audit Committee:

i) significant changes in internal control over financial reporting during the year;

ii) significant changes in accounting policies during the year.

iii) instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting. However, during the year there were no such changes or instances.

For **BALKRISHNA PAPER MILLS LIMITED**

**ANURAG P. PODDAR**
Chairman & Managing Director

**SHRUTISHEEL JHANWAR**
Whole Time Director & CFO

Place: Mumbai
Date: May 15, 2017.

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**AUDITORS' CERTIFICATE**

To the Members of

Balkrishna Paper Mills Limited

We have examined the compliance of regulations of Corporate Governance by Balkrishna Paper Mills Limited (the Company) for the year ended March 31, 2017, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

**For Jayantilal Thakkar & Co.**
Chartered Accountants
(FIRM REG. NO.104133W)

**VIRAL A. MERCHANT**
Partner
Membership No.116279

Place : Mumbai,
Dated : May 15, 2017

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**BALKRISHNA PAPER MILLS LIMITED (Formerly NIRVIKARA PAPER MILLS LIMITED)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Balkrishna Paper Mills Limited ("the Company") which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017, and its loss and its cash flows 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, to the extent applicable.

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, and the Cash flow statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.30 to the financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.46 to the financial statements.

**FOR JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
**(Firm Reg. No. 104133W)**

**VIRAL A. MERCHANT**
**Partner**
**Membership No.116279**

**Place: Mumbai**
**Dated: May 15, 2017**

## ANNEXURE - A TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

(i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, physical verification of these fixed assets has been conducted by the management at intervals during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in the following cases:

In case of Buildings:-

| | |
|---|---|
| **Total number of cases** | **2** |
| **Gross Block** | **7,47,55,718** |
| **Net Block** | **6,50,18,142** |

Remarks: As explained to us, the Company is in the process of getting the title deeds of the property transferred/endorsed in its name.

(ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed 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 with a view to determining whether they are accurate or complete.

(vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been generally regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs , Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no material undisputed statutory dues as referred to above as at 31st March, 2017 outstanding for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues in respect of Sales Tax, Cess and Excise Duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

| Name of Statute | Nature of Dues | Amount (₹) | Period to which the Amount Relates | Forum where dispute is pending |
|---|---|---|---|---|
| Sales Tax Act | Sales Tax (Including Interest and Penalty) | 34,80,883<br>2,28,22,324 | 1991-1992<br>2002-2003 | Jt. Commissioner of Sales Tax (Appeals)<br>Assessing Authority |
| Water Cess | Cess | 2,24,35,704 | 1992-2017 | Court of Civil Judge, Senior Division, Thane |
| Central Excise Act | Excise Duty (Including Interest and Penalty) | 10,75,006<br>1,22,195 | 2000-2006,<br>2008-2015 | Tribunal<br>Assessing Authority |

(viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank.

Further as per the records of the Company, during the year there were no loans or borrowings from any financial institution, government or debenture holders.

(ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed and to the

best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the

records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

(xv) According to the information and explanations given to us and based on our examination of the

records of the Company, the Company has not entered into non-cash transactions with directors or

persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

1934.

**FOR JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
**(Firm Reg. No. 104133W)**

**VIRAL A. MERCHANT**
**Partner**
**Membership No.116279**

**Place Mumbai**
**Dated: May 15, 2017**

## ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Balkrishna Paper Mills Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not 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 31 March 2017, 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 JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
**(Firm Reg. No. 104133W)**

**VIRAL A. MERCHANT**
**Partner**
**Membership No.116279**

**Place: Mumbai**
**Dated: May 15, 2017**

## BALANCE SHEET AS AT 31ST MARCH, 2017

| PARTICULARS | | | Note No. | Current Year ₹ | Previous Year ₹ |
|---|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | | |
| **1** | **SHAREHOLDERS' FUND** | | | | |
| | (a) | Share Capital | 2 | **107,398,440** | 107,398,440 |
| | (b) | Reserves and Surplus | 3 | **389,587,850** | 643,668,897 |
| | | | | **496,986,290** | 751,067,337 |
| **2** | **NON-CURRENT LIABLITIES** | | | | |
| | (a) | Long-Term borrowings | 4 | **419,062,699** | 465,854,327 |
| | (b) | Deferred Tax Liabilities (Net) | 5 | **182,140,627** | 142,510,080 |
| | (c) | Other Long term Liabilities | 6 | **3,081,433** | 1,857,475 |
| | (d) | Long-term provisions | 7 | **2,703,590** | 1,102,771 |
| | | | | **606,988,349** | 611,324,653 |
| **3** | **CURRENT LIABLITIES** | | | | |
| | (a) | Short Term borrowings | 8 | **281,300,132** | 187,838,965 |
| | (b) | Trade Payables | 9 | **501,458,545** | 289,005,344 |
| | (c) | Other current liabilities | 10 | **148,341,290** | 220,514,159 |
| | (d) | Short-term provisions | 11 | **7,698,225** | 8,391,600 |
| | | | | **938,798,192** | 705,750,068 |
| | | TOTAL | | **2,042,772,831** | 2,068,142,058 |
| **II.** | **ASSETS** | | | | |
| **1** | **Non-current Assets** | | | | |
| | (a) | Fixed Assets | | | |
| | | (i) Tangible assets | 12 | **1,559,787,163** | 771,036,186 |
| | | (ii) Intangible assets | 13 | **758,918** | 1,389,368 |
| | | (iii) Capital work-in-progress | | **44,437,098** | 801,659,525 |
| | | | | **1,604,983,179** | 1,574,085,079 |
| | (b) | Long-term loans and advances | 14 | **29,367,789** | 21,590,227 |
| | (c) | Other Non Current Assets | 15 | **3,192,475** | 1,226,117 |
| | | | | **32,560,264** | 22,816,344 |
| **2** | **Current Assets** | | | | |
| | (a) | Current investments | 16 | **-** | 120,997,851 |
| | (b) | Inventories | 17 | **162,351,799** | 132,954,151 |
| | (c) | Trade receivables | 18 | **139,114,381** | 104,001,343 |
| | (d) | Cash and cash equivalents | 19 | **1,143,069** | 35,860,788 |
| | (e) | Short-term loans and advances | 20 | **99,387,708** | 74,931,214 |
| | (f) | Other current assets | 21 | **3,232,431** | 2,495,288 |
| | | | | **405,229,388** | 471,240,635 |
| | | TOTAL | | **2,042,772,831** | 2,068,142,058 |

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 50**

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

**For JAYANTILAL THAKKAR & CO.**

**Chartered Accountants**

For and on behalf of the Board of Directors

| **VIRAL A. MERCHANT** | **ANURAG P. PODDAR** | **SHRUTISHEEL JHANWAR** | **OMPRAKASH SINGH** |
|---|---|---|---|
| Partner | Chairman & Managing Director | Whole-time Director & CFO | Company Secretary |

Place: Mumbai
Dated: May 15, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| PARTICULARS | | Note No. | Current Year ₹ | Previous Year ₹ |
|---|---|---|---|---|
| I | Revenue from operations | 22 | **1,812,135,065** | 1,581,211,600 |
| II | Other Income | 23 | **28,093,179** | 5,868,824 |
| III | **Total Revenue (I+II)** | | **1,840,228,244** | 1,587,080,424 |
| IV | **Expenses :** | | | |
| | Cost of materials consumed | 24 | **1,194,001,679** | 994,924,423 |
| | Changes in inventories of finished goods and work-in-progress | 25 | **(31,396,527)** | 21,834,565 |
| | Employee benefits expense | 26 | **117,369,364** | 105,834,727 |
| | Finance Cost | 27 | **62,883,716** | 53,387,990 |
| | Depreciation and other amortisation expenses | 28 | **57,703,803** | 36,618,019 |
| | Other Expenses | 29 | **654,114,571** | 542,444,848 |
| | Total Expenses | | **2,054,676,606** | 1,755,044,572 |
| V | (Loss) before tax (III-IV) | | **(214,448,362)** | (167,964,148) |
| | Add: Exceptional Item | | **-** | 437,000,000 |
| | (Loss)/Profit after Exceptional Item | | **(214,448,362)** | 269,035,852 |
| VI | Tax expense: | | | |
| | - Current tax- MAT | | **-** | 59,500,000 |
| | - Deferred tax | | **39,630,547** | 44,713,708 |
| VII | (Loss)/Profit after Tax (V-VI) | | **(254,078,909)** | 164,822,144 |
| VIII | Earnings per equity share: | 36 | | |
| | Basic and Diluted | | **(23.66)** | 15.35 |

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 50**

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

**For JAYANTILAL THAKKAR & CO.**

**Chartered Accountants**

For and on behalf of the Board of Directors

| VIRAL A. MERCHANT | ANURAG P. PODDAR | SHRUTISHEEL JHANWAR | OMPRAKASH SINGH |
|---|---|---|---|
| **Partner** | Chairman & Managing Director | Whole-time Director & CFO | Company Secretary |

Place: Mumbai
Dated: May 15, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| PARTICULARS | Current Year ₹ | | Previous Year ₹ | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES :** | | | | |
| (Loss)/Profit after exceptional item | | **(214,448,362)** | | 269,035,852 |
| Less:- Exceptional Item | | - | | (437,000,000) |
| Adjustment for : | | | | |
| Depreciation and Amortisation | **57,703,803** | | 36,618,019 | |
| Finance Cost | **62,883,716** | | 53,387,990 | |
| Interest Income | **(1,302,707)** | | (4,870,973) | |
| Profit on Sale of Current Investment | **(1,128,304)** | | (997,851) | |
| Loss on Sale of Fixed Assets (Net) | **970,829** | | 120,571 | |
| Provision For Doubtful Debts | - | | 4,079,990 | |
| Unrealised Foreign Exchange differences (Gain) / Loss | **(423,462)** | | 45,152 | |
| Retiring Gratuities | **1,600,819** | | 1,208,768 | |
| Leave Encashment | **131,235** | | 3960899 | |
| | | **120,435,929** | | 93552565 |
| Operating (loss) before working capital changes | | **(94,012,433)** | | (74411583) |
| Adjustment for: | | | | |
| Trade and other receivables | **(70,070,497)** | | 24057663 | |
| Inventories | **(29,397,648)** | | 32926405 | |
| Trade payables | **202,861,680** | | 61008607 | |
| | | **103,393,535** | | 117992675 |
| Cash generated from operations | | **9,381,102** | | 43581092 |
| Direct taxes refund (paid)/received | | **4,999,225** | | (61006184) |
| Gratuity paid | | - | | (37,318) |
| Leave Encashment paid | | **(824,610)** | | (1820190) |
| Net cash from Operating Activities | | **13,555,717** | | (19282600) |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| Purchase of Mutual Fund | - | | (212,997,851) | |
| Sale of Mutual Fund | **120,997,851** | | 92,000,000 | |
| Profit on Sale of Short Term Investment | **1,128,304** | | 997,851 | |
| Purchase of Fixed Assets & Capital Work in Progress | **(95,237,517)** | | (156,231,449) | |
| Sale of Fixed Assets | **771,641** | | 1,807,155 | |
| Sale of Investment in Subsidiary | - | | 447,000,000 | |
| Interest received | **1,473,632** | | 5,847,141 | |
| Net cash used in Investing Activities | | **29,133,911** | | 178,422,847 |
| **C. CASH FLOW FROM FINANCING ACTIVITIES :** | | | | |
| (Repayment)/ Proceeds of Short Term Borrowings (Net) | **93,461,167** | | (138,143,071) | |
| Proceeds from Long Term Borrowings | **60,000,000** | | 233,125,000 | |
| (Repayment) of Long Term Borrowings | **(165,859,866)** | | (167,565,681) | |
| Finance Cost Paid | **(65,008,648)** | | (54,344,725) | |
| Net Cash from Financing Activities | | **(77,407,347)** | | (126,928,477) |
| Net Increase in cash and cash equivalent | | **(34,717,719)** | | 32,211,770 |
| Cash and cash equivalent as at the beginning of the year | | **35,860,788** | | 3,649,018 |
| Cash and cash equivalent as at the end of the year | | **1,143,069** | | 35,860,788 |

Note :

Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.

As per our report of even date attached

**For JAYANTILAL THAKKAR & CO.**

**Chartered Accountants**

For and on behalf of the Board of Directors

| **VIRAL A. MERCHANT** | **ANURAG P. PODDAR** | **SHRUTISHEEL JHANWAR** | **OMPRAKASH SINGH** |
|---|---|---|---|
| Partner | Chairman & Managing Director | Whole-time Director & CFO | Company Secretary |

Place: Mumbai
Dated: May 15, 2017

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

**NOTE NO. 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accounts have been prepared in accordance with historical cost convention and on accrual basis.

**Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual and estimates are recognized in the period in which the results are known/ materialised.

**Fixed Assets**

A) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges, if any) and is net of permissible credits/set offs.

B) Expenditure (including financing charges, if any), incurred for fixed assets, the construction/ installation /acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

**Depreciation/Amortisation**

Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Machineries where the useful life is considered differently based on an independent technical evaluation as 9 to 30 years.

Premium on Leasehold Land is amortised over the duration of the Lease.

**Investments**

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year) as the case may be. Current Investments are stated at lower of cost and fair value, computed on individual investment basis. Long Term Investments are to be stated at cost except where there is a diminution in the value, other than temporary, necessary provision will be made to recognise the decline.

**Valuation of Inventories**

Inventories are valued at lower of the cost and net realizable value. Cost of inventories is computed on first in first out (FIFO) basis. Cost comprises of all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**Sales**

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives.

**Export Benefits**

Export Incentive under Duty Drawback Scheme and MEIS-Merchandise Exporters from India Scheme under the EXIM Policy is accounted for in the year of Export.

**Foreign Exchange Transactions**

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed. The exchange fluctuation arising on account of such adjustments are dealt in Statement of Profit and Loss. Non-monetary items are reported by using the exchange rate on the date of transaction.

**Employee Benefits:**

A) Short-term employee benefits:

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

B) Post employment benefits:

i) Benefits in the nature of contribution to provident fund, employee state insurance scheme etc. provided by the company to its employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.

ii) Benefit in the nature of gratuity paid by company to its employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the Employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

**Borrowing Cost**

Borrowing costs directly attributable to the acquisition/ construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Statement of Profit and Loss.

**Taxation**

Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.

**Leases**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

**Impairment**

The carrying amount of an asset is reviewed at Balance Sheet date for any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of note to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.2** | | |
| **SHARE CAPITAL** | | |
| **Authorised :** | | |
| 1,10,00,000 (Previous Year 1,10,00,000) Equity Shares of ₹10 each | **110,000,000** | 110,000,000 |
| **Issued Subscribed and fully paid up:** | | |
| 1,07,39,844 (Previous Year 1,07,39,844) Equity Shares of ₹10 each, fully paid up | **107,398,440** | 107,398,440 |
| | **107,398,440** | 107,398,440 |
| All the above shares are alloted as fully paid up pursuant to scheme of Arrangement, without payment being received in cash | | |
| Terms/rights attached to equity shares: | | |
| All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital | | |
| Shareholder's holding more than 5% Shares in the Company | | |
| Name of Shareholders | | |
| AKP EnterprisesLLP | **2,666,493** | 2,666,493 |
| % holding | **24.83%** | 24.83% |
| RAP Enterprises LLP | **2,663,110** | 2,663,110 |
| % holding | **24.80%** | 24.80% |
| **NOTE NO.3** | | |
| **RESERVES AND SURPLUS** | | |
| **a. Capital Reserves** | | |
| **Opening Balance** | **509,225,404** | 509,225,404 |
| Add: Addition during the year | **-** | **-** |
| Closing Balance | **509,225,404** | **509,225,404** |
| **b. Surplus** | | |
| **Opening Balance** | **134,443,493** | (31,033,851) |
| (Loss)/Profit for the year | **(254,078,909)** | 164,822,144 |
| (Add) : Income Tax of Earlier year | **(2,138)** | **655,200** |
| | **(119,637,554)** | 134,443,493 |
| **Closing Balance** | **389,587,850** | **643,668,897** |
| **NOTE NO.4** | | |
| **LONG TERM BORROWINGS** | | |
| **Secured** | | |
| **Term loans from Bank** | | |
| - External Commercial Borrowings | **161,085,937** | 250,007,325 |
| Secured/ to be Secured by : | | |
| Exclusive mortgage charge over the immoveable Fixed Assets and hypothecation charge by way of pari-passu over the movable Fixed Assets of the Company | | |
| (7 million USD- Repayment in 15 Quarterly Equal Installments starting from June 2014) | | |
| # (2.50 million USD- Repayment in 20 Quarterly Installments starting from January, 2018) | | |
| (Interest rate 3 months LIBOR + 350 bppa) | | |
| -Working Capital Term Loan | **230,416,668** | 190,000,000 |
| # To be secured by immovable and movable fixed Assets, Repayment Schedule from year 3- 5%, year 4- 20%, year 5 to year 7- 25%, rate of interest 12% or such other rate as may be specified by the bank from time to time. | | |
| # Personal Guarantee given by the Promotor Directors | | |
| **Unsecured** | | |
| Distributors/Dealers Deposit | **27,560,094** | 25,847,002 |
| | **419,062,699** | **465,854,327** |

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.5** | | |
| **DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liability on account of : | | |
| Depreciation | **185847422** | 145,936,475 |
| Deferred Tax Assets on account of : | | |
| Expenses allowable for tax purpose when paid | **2446078** | 2,165,678 |
| Provision for Doubtful Debts | **1260717** | 1,260,717 |
| Net Deferred Tax Liability | **182,140,627** | **142,510,080** |
| **NOTE NO.6** | | |
| **OTHER LONG TERM LIABILITIES** | | |
| - Security Deposits | **3,081,433** | 1,857,475 |
| | **3,081,433** | **1,857,475** |
| **NOTE NO.7** | | |
| **LONG TERM PROVISIONS** | | |
| - Provision for employee benefits - Gratuity | **2,703,590** | 1,102,771 |
| | **2,703,590** | **1,102,771** |
| **NOTE NO. 8** | | |
| **SHORT TERM BORROWINGS** | | |
| **Secured Loan From Banks** | | |
| - Loans repayable on demand (Cash Credit) | **28,693,792** | 12,287,179 |
| - Other Loans | **139,136,221** | 75,459,320 |
| Secured by first pari-passu charge by way of hypothecation of inventory, receivable and movable fixed assets of the Company. | | |
| **Unsecured** | | |
| Loans repayable on demand | | |
| - from Related Party | **113,470,119** | 100,092,466 |
| | **281,300,132** | **187,838,965** |
| **NOTE NO.9** | | |
| **TRADE PAYABLE** | | |
| Sundry Creditors (including Acceptances) | **501,458,545** | **289,005,344** |
| (Refer Note No. 39 for details of Dues to Micro and Small Enterprises) | | |
| **NOTE NO.10** | | |
| **OTHER CURRENT LIABILITIES** | | |
| - Current Maturity of Long Term Debt | **107,014,762** | 166,083,000 |
| - Interest accrued but not due on borrowings | **3,912,408** | 6,037,340 |
| - Income received in advance | **3,096,042** | 3,874,333 |
| **Other payables** | | |
| - Others - Payable towards Capital Goods | **12,936,736** | 13,100,956 |
| - Statutory dues towards TDS/VAT/CST/Service Tax etc. | **20,967,488** | 31,161,676 |
| - Security Deposits | **413,854** | 256,854 |
| | **148,341,290** | **220,514,159** |
| **NOTE NO.11** | | |
| **SHORT TERM PROVISIONS** | | |
| Provision for employee benefits | | |
| - Leave encashment | **7,698,225** | 8,391,600 |
| | **7,698,225** | **8,391,600** |

**NOTE NO.12**

| Tangible assets | GROSS BLOCK (AT COST) | | | | Depreciation (Including Amortisation) | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fixed Assets** | **Balance As at 01.04.2016** | **Additions During the year** | **Deductions During the year** | **Balance As at 31.03.2017** | **Balance As at 01.04.2016** | **For the Year** | **Deductions During the year** | **Total upto 31.03.2017** | **As At 31.03.2017** | **As At 31.03.2016** |
| **Tangible assets** | | | | | | | | | | |
| (a) Land | | | | | | | | | | |
| -Free Hold | 3,743,134 | - | - | 37,43,134 | - | - | - | - | 3,743,134 | 37,43,134 |
| -Lease Hold | 42,000 | 3,171,600 | - | 32,13,600 | 14,467 | 23,877 | - | 38,344 | 3,175,256 | 27,533 |
| (b) Buildings | 180,688,374 | 31,808,416 | - | 21,24,96,790 | 2,21,00,710 | 8,202,113 | - | 30,302,823 | 182,193,967 | 15,85,87,664 |
| (c ) Plant and Equipment | 690,196,129 | 809,191,235 | 3,951,227 | 149,54,36,137 | 10,23,00,374 | 42,671,845 | 2,208,757 | 142,763,462 | 1,352,672,675 | 58,78,95,756 |
| (d) Factory Equipment | 10,444,722 | 851,179 | - | 1,12,95,901 | 64,17,626 | 1,609,468 | - | 8,027,094 | 3,268,807 | 40,27,096 |
| (d) Furniture and Fixtures | 3,488,065 | 767,626 | - | 42,55,691 | 13,28,984 | 382,537 | - | 1,711,521 | 2,544,170 | 21,59,081 |
| (e) Vehicles | 12,642,094 | - | - | 1,26,42,094 | 55,92,179 | 1,653,473 | - | 7,245,652 | 5,396,442 | 70,49,915 |
| (f) Office Equipment | 3,350,882 | 71,270 | - | 34,22,152 | 24,06,882 | 490,232 | - | 2,897,114 | 525,038 | 9,44,000 |
| (g) Others | | | | | | | | | | |
| -Electric Installations | 8,047,340 | 1,335,450 | - | 93,82,790 | 34,71,317 | 1,205,351 | - | 4,676,668 | 4,706,122 | 45,76,023 |
| -Air Conditioners | 1,135,506 | 163,054 | - | 12,98,560 | 7,84,974 | 136,327 | - | 921,301 | 377,259 | 3,50,532 |
| -Computer | 6,671,141 | 194,471 | - | 68,65,612 | 49,95,689 | 685,630 | - | 5,681,319 | 1,184,293 | 16,75,452 |
| **TOTAL TANGIBLE - CURRENT YEAR** | **920,449,387** | **847,554,301** | **3,951,227** | **176,40,52,461** | **14,94,13,202** | **57,060,853** | **2,208,757** | **20,42,65,298** | **155,97,87,163** | **77,10,36,186** |
| **TOTAL TANGIBLE - PREVIOUS YEAR** | **906,643,523** | **16,591,394** | **2,785,530** | **92,04,49,387** | **114,088,160** | **3,61,82,846** | **857,804** | **14,94,13,202** | **77,10,36,186** | **-** |

**NOTE NO.13**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Intangible assets** | | | | | | | | | | |
| (a) Computer software | 6,050,050 | 12,500 | - | 6,062,550 | 46,60,682 | 642,950 | - | 5,303,632 | 758,918 | 13,89,368 |
| **TOTAL INTANGIBLE - CURRENT YEAR** | **6,050,050** | **12,500** | **-** | **6,062,550** | **46,60,682** | **642,950** | **-** | **5,303,632** | **7,58,918** | **13,89,368** |
| **TOTAL INTANGIBLE - PREVIOUS YEAR** | 4,920,297 | 1,129,753 | - | 6,050,050 | 4,225,509 | 435,173 | - | 4,660,682 | 13,89,368 | - |
| CAPITAL WORK IN PROGRESS | | | | | | | | | 44,437,098 | 801,659,525 |

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.14** | | |
| **LONG TERM LOANS AND ADVANCES** | | |
| **(Unsecured, considered good)** | | |
| (a) Capital Advances | **9,549,661** | 4,820,737 |
| (b) Security Deposits | **9,852,311** | 1,268,180 |
| (c) Others loans and advances | | |
| - Advance payment to suppliers | **973,918** | 1,508,048 |
| - Advance Payments of Taxes and Tax deducted at source (Net of Provisions) | **8,991,899** | 13,993,262 |
| | **29,367,789** | 21,590,227 |
| **NOTE NO.15** | | |
| **OTHER NON - CURRENT ASSETS** | | |
| Trade Receivables - Unsecured | | |
| - Considerd Good | **3,192,475** | 1,226,117 |
| - Considerd Doubtful | **4,079,990** | 4,079,990 |
| | **7,272,465** | 5,306,107 |
| Less:- Provision for Doubtful Debts | **(4,079,990)** | (4,079,990) |
| | **3,192,475** | 1,226,117 |
| **NOTE NO.16** | | |
| **CURRENT INVESTMENTS** | | |
| [At lower of Cost and Fair Market value] | | |
| In Mutual Funds : Quoted (Ref Note No 49) | **-** | 120,997,851 |
| Market Value ₹ 12,17,61,689 | **-** | 120,997,851 |
| **NOTE NO.17** | | |
| **INVENTORIES** | | |
| (As Certified by the Management) | | |
| (At lower of Cost and Net Realisable Value) | | |
| (a) Raw materials | **33,278,668** | 37,377,866 |
| (b) Work-in-Progress | **1,130,906** | 208,648 |
| (c ) Finished Goods | **65,325,543** | 34,851,274 |
| (d) Stores and Spares | **52,345,343** | 54,887,061 |
| (e) Others - Packing Material & Fuel | **10,271,339** | 5,629,302 |
| | **162,351,799** | 132,954,151 |
| **NOTE NO.18** | | |
| **TRADE RECEIVABLES** | | |
| Trade Receivables outstanding for a period less than Six Months | | |
| (a) Secured Considered good | **-** | - |
| (b) Unsecured Considered good | **131,338,714** | 94,123,062 |
| | **131,338,714** | 94,123,062 |
| Trade Receivables outstanding for a period exceeding Six Months | | |
| (a) Secured Considered good | **-** | - |
| (b) Unsecured Considered good | **7,775,667** | 9,878,281 |
| | **7,775,667** | 9,878,281 |
| | **139,114,381** | 104,001,343 |
| **NOTE NO.19** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| - Balances with banks | **736,433** | 495,464 |
| - Fixed Deposit | **-** | 35,000,000 |
| - Cash on hand | **406,636** | 365,324 |
| | **1,143,069** | 35,860,788 |
| **NOTE NO.20** | | |
| **SHORT TERM LOANS AND ADVANCES** | | |
| **Unsecured, considered good** | | |
| - Advance payment to suppliers | **10,385,678** | 11,279,015 |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. receivables | **87,711,002** | 61,952,842 |
| - Loans and advances to employees | **1,291,028** | 1,699,357 |
| | **99,387,708** | 74,931,214 |

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.21** | | |
| **OTHER CURRENT ASSETS** | | |
| - Export Incentive Receivables | **3,232,431** | 2,324,363 |
| - Interest Accrued on others | **-** | 170,925 |
| | **3,232,431** | 2,495,288 |
| **NOTE NO.22** | | |
| **REVENUE FROM OPERATIONS** | | |
| - Sale of Products | **1,895,751,827** | 1,661,731,403 |
| **Other Operating Revenue:** | | |
| - Export Incentives | **24,080,754** | 4,650,231 |
| - Scrap Sales | **4,688,903** | 6,344,001 |
| - Others | **2,363,058** | 1,600,070 |
| | **1,926,884,542** | 1,674,325,705 |
| Less: Excise Duty | **114,749,477** | 93,114,105 |
| | **1,812,135,065** | 1,581,211,600 |
| **NOTE NO.23** | | |
| **OTHER INCOME** | | |
| **Interest Income from:** | | |
| - Deposits, Customers and Income tax | **1,302,707** | 4,870,973 |
| Profit on sale of Current Investments | **1128304** | 997,851 |
| Surrender of keyman insurance policy | **25238706** | - |
| Net Foreign Exchange Gain | **423,462** | - |
| | **28,093,179** | 5,868,824 |
| **NOTE NO.24** | | |
| **COST OF MATERIAL CONSUMED** | | |
| - Raw Material Consumed | **1,194,001,679** | 994,924,423 |
| **NOTE NO.25** | | |
| **CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS** | | |
| Opening Stock : | | |
| Work-in-Progress | **208,648** | 14,360 |
| Finished Goods | **34,851,274** | 56,880,127 |
| | **35,059,922** | 56,894,487 |
| Less : Closing Stock | | |
| Work-in-Progress | **1,130,906** | 208,648 |
| Finished Goods | **65,325,543** | 34,851,274 |
| | **66,456,449** | 35,059,922 |
| Net Decrease in Inventories | **(31,396,527)** | 21,834,565 |
| **NOTE NO.26** | | |
| **EMPLOYEE BENEFIT EXPENSES** | | |
| - Salaries and wages | **106,621,448** | 95,717,868 |
| - Contribution to provident and other funds | **8,055,393** | 7,142,392 |
| - Staff welfare expenses | **2,692,523** | 2,974,467 |
| | **117,369,364** | 105,834,727 |

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.27** | | |
| **FINANCE COST** | | |
| - Interest expenses | **50,530,292** | 41,211,833 |
| - Other borrowing costs | **21,727,179** | 7,619,435 |
| - Applicable net loss on foreign currency transactions and translation | **(9,373,755)** | 4,556,722 |
| | **62,883,716** | 53,387,990 |
| **NOTE NO.28** | | |
| **DEPRECIATION AND AMORTISATION EXPENSES** | | |
| - Depreciation and amortisation | **57,703,803** | 36,618,019 |
| **NOTE NO.29** | | |
| **OTHER EXPENSES** | | |
| - Consumption of stores and spare parts | **57,098,800** | 56,292,585 |
| - Packing expenses | **44,342,121** | 35,844,634 |
| - Power and fuel | **302,669,924** | 250,097,027 |
| - Freight and forwarding | **24,861,496** | 18,486,358 |
| - Labour/Job Charges | **75,995,300** | 55,642,642 |
| - Water charges | **1,572,204** | 1,863,615 |
| - Repairs and Maintenance to Buildings | **5,126,287** | 3,611,444 |
| - Repairs and Maintenance to Machinery | **9,312,657** | 10,634,754 |
| - Repairs and Maintenance to Others | **3,599,362** | 3,121,088 |
| - Insurance Charges | **10,162,343** | 10,193,484 |
| - Rates and Taxes excluding taxes on income | **8,330,723** | 3,716,142 |
| - Rent | **4,529,894** | 4,558,865 |
| - Legal and Professional charges | **17,259,311** | 14,084,354 |
| - Commission | **10,568,263** | 10,086,297 |
| - Discount | **17,196,863** | 16,834,269 |
| - Travelling Expenses | **3,863,346** | 3,574,031 |
| - Directors Meeting Fees | **290,000** | 300,000 |
| - Net Foreign Exchange Loss | **-** | 45,152 |
| - Interest Others | **1,058,087** | 154,544 |
| - Loss on Sale of Fixed Assets | **970,829** | 120,571 |
| - Provision For Doubtful Debts | **-** | 4,079,990 |
| - Miscellaneous expenses | **55,306,761** | 39,103,002 |
| | **654,114,571** | 542,444,848 |

| | | |
|---|---|---|
| **NOTE NO.30** | | |
| **Contingent Liabilities and commitments** | | |
| **(i) Contingent Liabilities** | | |
| a) Claims against the Company not acknowledge as debts | | |
| - Disputed claims for excise, cess, sales tax and service tax | **27,500,408** | 48,775,523 |
| - Disputed income tax demands | **-** | - |
| - Others | **81,735,895** | 58,992,096 |
| b) Guarantees | | |
| - Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | **7,116,560** | 17,115,156 |
| **(ii) Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | **535,241** | 8,016,439 |
| **NOTE NO.31** | | |
| **Value of Imports on CIF Basis** | | |
| a) Raw materials | **238,303,307** | 174,703,914 |
| b) Stores and Spare parts | **27,765,270** | 16,472,115 |
| | **266,068,577** | 191,176,029 |
| **NOTE NO.32** | | |
| **Consumption of Raw Materials** | | |
| (As Certified by the Management) | | |
| a)Waste Paper | **975,779,873** | 816,268,568 |
| b)Colours and Chemicals | **218,221,806** | 178,655,855 |
| | **1,194,001,679** | 994,924,423 |
| **NOTE NO.33** | | |
| **Expenditure in Foreign currency** | | |
| Interest * | **24,117,241** | 42,137,378 |
| Finance Charges | **11,612,516** | 6,483,634 |
| Other matters (Commission,Travelling and Bank Charges) | **10,989,860** | 6,149,835 |
| | **46,719,617** | 54,770,847 |

* Including amount capitalised ₹1,29,82,443 (Previous year ₹3,86,78,577)

**NOTE NO.34**

**Value of Raw Materials and Stores and Spare Parts consumed**

| **(As Certified by the Management)** | | **Raw Materials** | | **Stores and Spare Parts** | |
|---|---|---|---|---|---|
| | | ₹ | % | ₹ | % |
| a) | Imported | **25,45,35,639** | **21.32** | **74,70,620** | 13.08 |
| | | (205,064,616) | (20.61) | (12,384,369) | (22.00) |
| b) | Indigenous | **93,94,66,040** | **78.68** | **4,96,28,180** | 86.92 |
| | | (78,98,59,807) | (79.39) | (43,908,216) | (78.00) |
| | | **119,40,01,679** | **100.00** | **57,098,800** | 100.00 |
| | | (99,49,24,423) | (100.00) | (56,292,585) | (100.00) |

| | | |
|---|---|---|
| **NOTE NO.35** | | |
| **Earning in Foreign exchange** | | |
| a) Export of goods on FOB Basis | **428,643,399** | 240,409,188 |
| b) Recovery towards Freight and Insurance on Export | **3,815,926** | 2,822,646 |
| | **432,459,325** | 243,231,834 |

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.36** | | |
| **Earning Per Share (EPS)** | | |
| ( In accordance with Accounting Standard - 20 ) | | |
| Profit/(Loss) after Tax | **(254,078,909)** | 164,822,144 |
| Number of Equity Shares outstanding for Basic/ Diluted Earning Per Share | **10,739,844** | 10,739,844 |
| Nominal Value of Equity Shares (in Rupees) | **10** | 10 |
| Earning Per Share Basic/Diluted | **(23.66)** | 15.35 |

**NOTE NO.37**

**I) Related Party Disclosures ***

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Anurag P. Poddar- Chairman & Managing Director , Mr. Ankit P. Poddar - Executive Director, Mr. Shrutisheel Jhanwar - Whole-time Director & CFO

b) Other Related Parties -(Enterprises- KMP having significant influence/owned by major share holders) Siyaram Silk Mills Ltd., S P Finance & Trading Ltd., Sanchana Trading & Finance Ltd., SPG Power Ltd. , SPG Infrastructure Ltd., Vishal Furnishing Ltd., Wavelink Commercial P Ltd

| | Transactions | KMP | Other Related Parties | Total |
|---|---|---|---|---|
| **1** | **Purchase of Goods/Materials** | **NIL** | **82,591,570** | **8,25,91,570** |
| | | (NIL) | (203,546) | (203,546) |
| **2** | **Reimbursement of Expenses** | **NIL** | **32120** | **32,120** |
| | | (NIL) | (41,396) | (41,396) |
| **3** | **Rent Paid** | **NIL** | **4,510,372** | **4,510,372** |
| | | (NIL) | (4,470,202) | (4,470,202) |
| **4** | **Remuneration** | **12,198,070** | **NIL** | **12,198,070** |
| | | (13069673) | (NIL) | (13,069,673) |
| **5** | **Inter Corporate Loan Received** | **NIL** | **312,500,000** | **31,25,00,000** |
| | | (NIL) | (103,500,000) | (103,500,000) |
| **6** | **Inter Corporate Loan Repayment** | **NIL** | **300,000,000** | **30,00,00,000** |
| | | (NIL) | (103,300,000) | (103,300,000) |
| **7** | **Interest paid on Loan Received** | **NIL** | **1,060,529** | **10,60,529** |
| | | (NIL) | (9,547,753) | (9,547,753) |
| **8** | **Payables** | **NIL** | **112,500,000** | **11,25,00,000** |
| | | (NIL) | (10,000,000) | (10,000,000) |
| **9** | **Interest accrued on borrowings** | **NIL** | **970,119** | **970,119** |
| | | (NIL) | (102,740) | (102,740) |
| **10** | **Sale of Finished Goods** | **NIL** | **7,197,822** | **7,197,822** |
| | | (NIL) | (6,255,133) | (6,255,133) |
| **11** | **Sale of Investments in subsidiary** | **NIL** | **NIL** | **NIL** |
| | | (NIL) | (447,000,000) | (447,000,000) |
| **12** | **Surrender of Keyman Insurance Policy** | **25,238,706** | **NIL** | **25,238,706** |
| | | (NIL) | (NIL) | (NIL) |
| **13** | **Outstanding Personal Guarantee against Working Capital Term Loan** | **411,541,667** | **NIL** | **411,541,667** |
| | | (413,125,000) | (NIL) | (413,125,000) |

Figures in brackets pertains to previous year.

**Disclosure in respect of Material Related Party Transaction during the year :**

1 Purchase of Goods/ Materials includes : Siyaram Silk Mills Limited ₹ **1,74,859** (Previous Year ₹ 2,03,546), Vishal Furnishing Limited ₹ **6,58,43,338** (Previous Year ₹ Nil), Wavelink Commercial P Limited ₹ **1,65,73,373** (Previous Year ₹ Nil)

2 Reimbursement of Expenses includes: Siyaram Silk Mills Ltd. ₹ **32,120** (Previous Year ₹ 41,396)

3 Rent Paid Includes : Siyaram Silk Mills Ltd. ₹ **45,10,372** (Previous Year ₹ 44,70,202)

4 Remuneration to Key Management Personnel includes : Mr. Anurag P Poddar ₹ **40,87,942** (Previous Year ₹ 43,23,265), Mr. Ankit P Poddar ₹ **40,90,920** (Previous Year ₹ 42,49,616), Mr. Shrutisheel Jhanwar ₹ **40,19,208** (Previous Year ₹ 44,96,792)

5 Inter Corporate Loan Received includes : S. P. Finance & Trading Ltd. ₹**30,50,00,000** (Previous Year ₹ 10,35,00,000),Sanchana Trading & Finance Ltd. ₹ **75,00,000** (Previous Year ₹ Nil)

6 Inter Corporate Loan Repayment includes : S.P. Finance & Trading Ltd. ₹ **30,00,00,000** (Previous Year ₹ 10,33,00,000)

7 Interest Paid on Loan Received includes : S. P. Finance & Trading Ltd. ₹ **10,27,395** (Previous Year ₹ 95,47,753), Sanchana Trading & Finance Limited ₹ **33,134** (Previous Year ₹ Nil)

8 Payables to Other Related Parties includes : S. P. Finance & Trading Ltd. ₹ **10,50,00,000** (Previous Year ₹ 10,00,00,000), Sanchana Trading & Finance Ltd. ₹ **75,00,000** (Previous Year ₹ Nil)

9 Interest accrued on borrowings includes: S. P. Finance & Trading Ltd. ₹ **6,71,917** (Previous Year ₹1,02,740), Sanchana Trading & Finance Limited ₹ **2,98,202** (Previous Year ₹ Nil)

10 Sale of Finished goods includes: SPG Power Ltd. ₹ **Nil** (Previous Year ₹50,08,098), SPG Infrastructure Ltd. ₹ **Nil** (Previous year ₹ 12,47,035), Siyaram Silk Mills Limited ₹ **37,487** (Previous Year ₹ Nil),Vishal Furnishing Limited ₹ **71,60,335** (Previous Year ₹ Nil)

11 Sale of Investments in subsidiary (Balkrishna Synthetics Limited) to Siyaram Silk Mills Limited ₹ **Nil** (Previous Year ₹ 44,70,00,000)

12 Surrender of Keyman Insurance Policy to KMP: Mr Anurag P. Poddar ₹ **1,26,19,353** (Previous Year ₹ Nil), Mr Ankit P. Poddar ₹ **1,26,19,353** (Previous Year ₹ Nil)

13 Outsanding Personal Guarantee against working capital Term loan given by KMP: Mr Anurag P. Poddar and Mr Ankit P. Poddar ₹ **41,15,41,667** (Previous Year ₹ 41,31,25,000)

* Parties identified by the Management and relied upon by the auditors.

No amount in respect of related parties have been written off/back or are provided for during the year.

| PARTICULARS | Current Year ₹ | Previous Year ₹ |
|---|---|---|
| **NOTE NO.38** | | |
| **Leases - Operating leases** | | |
| i) The company has taken commercial premises under cancellable operating leases. | | |
| ii) The rental expenses recognised in Statement of Profit and Loss for operating leases : | | |
| (a) Minimum Rent | **4,529,894** | 4,558,865 |
| (b) Contingent Rent | **NIL** | NIL |
| iii) The Company does not have any assets given on lease. | | |

**NOTE NO.39**

a) As at 31st March,2017, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**NOTE NO.40**

**Disclosures in accordance with accounting standard AS-15 on "Employee Benefits".**

**Defined benefit plans - As per actuarial valuation in respect of Gratuity**

| Sr. no. | Descriptions | Current Year ₹ | Previous Year ₹ |
|---|---|---|---|
| **i** | **Components of employer expenses** | | |
| | Current Service Cost | **1,135,221** | 1,025,067 |
| | Interest Cost | **88,663** | (5,487) |
| | Expected Return on Plan Assets | **NIL** | NIL |
| | Actuarial (Gain)/Loss | **376,935** | 189,188 |
| | Total Expenses recognised in the statement of Profit & Loss Account in Note No.26 | **1,600,819** | 1,208,768 |
| **ii** | **Actual Contribution and Benefit Payments for the year end** | | |
| | Actual Benefit Payments | **1,490,662** | 2,676,859 |
| | Actual Contributions | **NIL** | 37,318 |

| Sr. no. | Descriptions | Current Year ₹ | Previous Year ₹ |
|---|---|---|---|
| iii | **Net Liability recognised in balance sheet at the year end** | | |
| | Present Value of Defined Benefit Obligation | **16,446,299** | 15,222,253 |
| | Fair value of plan assets | **(13,742,709)** | (14,119,482) |
| | Net Liability/(Asset) recognised in balance sheet | **2,703,590** | 1,102,771 |
| iv | **Reconciliation of Opening and Closing Balances of Defined Benefit Obligations ( DBO)** | | |
| | Present Value of DBO at the beginning of the year | **15,222,253** | 15,491,435 |
| | Current Service cost | **1,135,221** | 1,025,067 |
| | Interest cost | **1,223,869** | 1,237,766 |
| | Past Service Cost (Vested Benefit) | **NIL** | NIL |
| | Actuarial (Gain)/Loss on DBO | **355,618** | 144,844 |
| | Benefits paid | **(1,490,662)** | (2,676,859) |
| | Present Value of DBO at the end of the year | **16,446,299** | 15,222,253 |
| v | **Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets** | | |
| | Plan assets at the beginning of the year | **14,119,482** | 15,560,114 |
| | Expected return on plan assets | **1,135,206** | 1,243,253 |
| | Actual Company contributions | **NIL** | 37,318 |
| | Actuarial (Loss)/ Gain on Plan Assets | **(21,317)** | (44,344) |
| | Benefits paid | **(1,490,662)** | (2,676,859) |
| | Plan assets at the end of the year | **13,742,709** | 14,119,482 |
| vi | **Actuarial Assumptions** | | |
| | Discount Rate | **7.20%** | 8.04% |
| | Expected Return on plan Assets | **7.20%** | 8.04% |
| | Salary escalation | **4.50%** | 4.50% |

a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to ₹ **64,54,574** (Previous Year ₹ 59,33,624) has been recognised in the statement of Profit and Loss under the heading 'Contribution to Provident and Other Funds' (Note No.26)

b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

**NOTE NO.41**

| | | | |
|---|---|---|---|
| **Payment to Auditors** | | | |
| **a)** | **Statutory Auditors** | | |
| | - Audit Fees | **500,000** | 500,000 |
| | - For Tax Audit | **115,000** | 100,000 |
| | - For taxation matters | **50,000** | NIL |
| | - For Company Law matters | **50,000** | 50,000 |
| | - For Other Services- Certification Charges, etc. | **205,000** | 182,500 |
| | - For reimbursement of expenses | | |
| | Service Tax | **139,815** | 120,752 |
| | Expenses | **17,000** | 15,500 |
| **b)** | **Cost Auditors** | | |
| | - Audit Fees | **75,000** | 75,000 |
| | - For reimbursement of Service Tax | **11,250** | 10,875 |

**NOTE NO.42**

| | | |
|---|---|---|
| - Amount of Borrowing Cost capitalised | **16,556,669** | 49,014,512 |

**NOTE NO.43**

| | | |
|---|---|---|
| **Sale of Products:** | | |
| Paper / Paper Boards | **1,895,751,827** | 1,661,731,403 |

**NOTE NO.44**

As the Company's business activity falls within a single segment viz 'Paper and Paper Boards' and sales being mainly in the domestic market,the disclosure requirements of Accounting Standard -17 "Segment Reporting" are not applicable.

**NOTE NO.45**

| PARTICULARS | Current Year | Previous Year |
|---|---|---|
| **Derivative Instruments** | | |
| i) The Company uses derivative financial instruments(comprising of foreign currency forward exchange contracts,option contracts and interest rate swap) to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose. | | |
| ii) Derivative Instruments outstanding | | |
| **Particulars** | | |
| Total No. of forward contracts outstanding for amount receivable on account of Export of Goods. | **30** | 18 |
| Foreign Currency Value covered : | | |
| US Dollars | **1,850,000** | 950,000 |
| Total No. of forward contracts outstanding towards Buyers Credit | **6** | 5 |
| Foreign Currency Value covered : | | |
| EURO | **13,882** | NIL |
| US Dollars | **293,125** | 296,453 |
| Total No. of forward/option contracts outstanding towards External Commercial Borrowings | **2** | 3 |
| Foreign Currency Value covered : | | |
| US Dollars | **3,897,200** | 6,563,700 |
| iii) Interest rate (LIBOR) Swap Contracts : | | |
| The Company also uses derivative contracts other than forward/option contracts to hedge the interest rate. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes. | | |
| Total No. of contracts outstanding | **2** | 3 |
| Principal Amount outstanding (US Dollar) | **3,897,200** | 6,563,700 |
| b) Unhedged foreign currency exposure is as follows: | | |
| **Particulars** | | |
| **Amounts Payable :** | | |
| Loans | | |
| US Dollars | **110,097** | NIL |
| Interest US Dollars | **23,376** | 31,084 |

**NOTE NO.46**

**DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBNs* | Other denomination notes | Total Amount |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 650,000 | 784575 | 1,434,575 |
| (+) Permitted receipts | NIL | 637,275 | 637,275 |
| (-) Permitted payments | NIL | (1,112,829) | (1,112,829) |
| (-) Amount deposited in Banks | (650,000) | NIL | (650,000) |
| Closing cash in hand as on December 30, 2016 | NIL | 309,021 | 309,021 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**NOTE NO.47**

In the previous year,the Shareholders of the Company has approved the disinvestment of the entire shareholding of its wholly owned subsidiary company viz Balkrishna Synthetics Limited to Siyaram Silk Mills Limited through postal ballot & e-voting. All the compliances have been made. The exceptional item represents profit on sale of the said investment.

**NOTE NO.48**

No provision has been made in respect of additional power duty amounting to ₹ 1,98,45,594 levied by MSEDL due to stay order granted by Honourable Bombay High Court.

**NOTE NO.49**

**Details of Current Investment in units of Mutual fund purchased and Sold during the year:**

| Name of Mutual Fund | Purchased During the Year | | Sold / Redeemed During the Year | | Closing Balance | |
|---|---|---|---|---|---|---|
| | No. of Units | Cost ₹ | No. of Units | Cost ₹ | No. of Units | Cost ₹ |
| BOI Axa Treasury Advantage Fund-Growth | - | - | 49744.516 | 88,997,851 | - | - |
| BOI Axa Liquid Fund-Growth | - | - | 18354.345 | 32,000,000 | - | - |
| **TOTAL (₹)** | **-** | **-** | | **120,997,851** | **-** | **-** |

**NOTE NO.50**

a) Figures in brackets in notes 34 and 37 pertain to previous year.

b) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

**For JAYANTILAL THAKKAR & CO.**

**Chartered Accountants**

For and on behalf of the Board of Directors

| VIRAL A. MERCHANT | ANURAG P. PODDAR | SHRUTISHEEL JHANWAR | OMPRAKASH SINGH |
|---|---|---|---|
| Partner | Chairman & Managing Director | Whole-time Director & CFO | Company Secretary |

Place: Mumbai
Dated: May 15, 2017

# Balkrishna Paper Mills Ltd.

Registered Office : A/7, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel No.: 022-6120 7900. Fax No.: 022-6120 7999. Website: wwww.bpml.in

CIN:L21098MH2013PLC244963

## ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting.

| | |
|---|---|
| Name of Shareholder | |
| Folio No | |
| DP ID/ Client ID | |
| No. of Shares held | |

I / We hereby record my/our presence at the 4th Annual General Meeting (AGM) of the Company held on Wednesday, 19th July, 2017, at 2.30 p.m, at Sunville, 9, Dr. Annie Besant Road, Near Poonam Chambers, Worli, Mumbai 400 018.

| Name of the Shareholder/ Proxy | Signature of the Shareholder/ Proxy |
|---|---|
| | |

Note: 1. A Member / Proxy holder attending the meeting must bring the attendance slip to the meeting and hand it over at the entrance duly signed.

2. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

**ELECTRONIC VOTING PARTICULARS**

| Electronic Voting Even Number (EVEN) | User ID | Password |
|---|---|---|
| | | |

Note : Please refer to the instructions printed under the notes to the Notice of the 4th AGM. The voting period starts from 9.00 am on Friday, 14th July, 2017 and ends at 5.00 p.m. on Tuesday, 18th July, 2017. The voting portal shall be disabled for voting thereafter.

# Balkrishna Paper Mills Ltd.

Registered Office : A/7, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel No.: 022-6120 7900. Fax No.: 022-6120 7999. Website: wwww.bpml.in

CIN:L21098MH2013PLC244963

## FORM OF PROXY

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

| | |
|---|---|
| Name of the Member (s) | |
| Registered Address | |
| Email ID | |
| Folio No | |
| DP ID/Client ID | |
| No. of Shares | |

I/We……of…… in the district of ……., being a Member/Members of the above named Company hereby appoint …… of …… in the district of ……or failing him …….. of…… in the district of…… as my/our proxy to attend and vote (on poll) for me /us on my/our behalf at the 4th Annual General Meeting of the Company to be held on Wednesday, 19th July, 2017, at 2.30 p.m., at Sunville, 9, Dr. Annie Besant Road, Near Poonam Chambers, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such Resolutions as are indicated below:

INTENTIONALLY LEFT BLANK

| Item No. | Resolutions | Optional* | |
|---|---|---|---|
| | | For : | Against |
| 1. | Adoption of the Audited Financial Statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and | | |
| 2. | Re-appointment of Shri Anurag Poddar, who retires by rotation. | | |
| 3. | Re-appointment of Messrs. Jayantilal Thakkar & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration. | | |
| 4. | Ratification of appointment & remuneration payable to Cost Auditors, M/s. K. G. Goyal & Associates, caused in casual vacancy for the F.Y.2016-17. | | |
| 5. | Ratification of re-appointment & remuneration payable to Cost Auditors, M/s. K. G. Goyal & Associates, for the F.Y.2017-18. | | |
| 6 | Increasing the Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association. | | |
| 7 | Issue and Offer of 9% Cumulative, Redeemable Preference Shares on a Private Placement basis | | |

Signed this …….. Day of……..2017.

Affix
Re. 1.00
Revenue
Stamp

Signature-

**Note.**

1. This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 4th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above Box before submission.
5. A Proxy need not be a member of the Company.

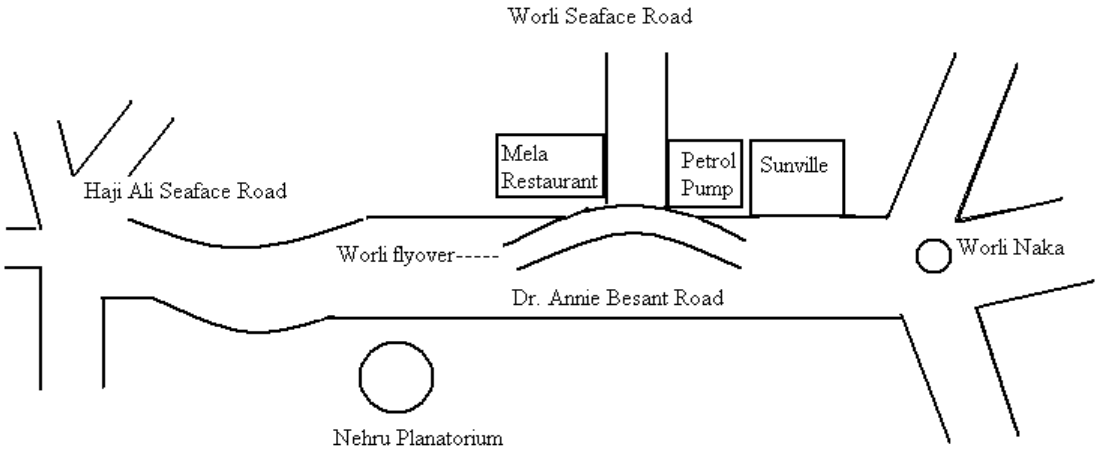
**Notes**

# Route Map for AGM Hall

Sunville™

BANQUET & CONFERENCE ROOMS

9, Dr. Annie Besant Road, Worli, Mumbai – 400018.
Tel: 022-2497 8082 / 022-2493 5546. Fax: 022-2492 1604
info@sunvillebanquets.com




**Directions..**

1 From worli sea link- take left below love groove flyover enter first building

2 prabhadevi - after worli naka take u turn under love groove flyover, 1st building on your left

3 haji ali. Take the road below after Atria mall crossed the signal below flyover, first building on your left.

4- mahalaxmi. Take left at worli naka take U turn under love groove flyover 1st building on left.

**Balkrishna Paper Mills Ltd.**

**Registered Office : A/7, Trade World, Kamala City, Senapati Bapat Marg,**
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