

**Annual Report
2012-2013**



BOARD OF DIRECTORS

Mr. N.K. Pasari (Managing Director)

Mr. B.N. Pasari

Mr. B.K. Pasari

Mr. L.C. Sharma

Mr. P.N. Singh

Mr. D.R. Mehta*

Mr. L.C. Parashar**

*Upto 06th June, 2012

**w.e.f. 06th June, 2012

COMPANY SECRETARY

CS Anant Kr. Singh

AUDITORS

M/s. Singal Bros. & Associates

Chartered Accountants

New Delhi

BANKERS

Bank of India

Dena Bank

The Catholic Syrian Bank Ltd.

Andhra Bank

COST AUDITORS

M/s. Vijender Sharma & Co.

Cost Accountants

Delhi

REGISTERED OFFICE

16, India Exchange Place,

Kolkata – 700 001

CORPORATE OFFICE

4830/24, Prahlad Street,

Ansari Road, Darya Ganj,

New Delhi-110 002

WORKS

i) T-4, Old Industrial Area,

Bahadurgarh - 124507

Distt. Jhajjar (Haryana)

ii) Plot No. "SPL-A"

RIICO Industrial Area,

Vill. Keshwana, Teh. Kotputli,

Distt. Jaipur (Rajasthan)

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor,

Naraina Industrial Area,

Phase-I, New Delhi-110 028

Ph. 011-41410592 to 94

Fax. 011-41410591

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NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Friday, September 27, 2013 at 10.00 A.M. at MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700001 (West Bengal), to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Pasari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. K. Pasari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Singal Bros. & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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 94(1)(a) and other applicable provision(s) of the Companies Act, 1956, if any, the Authorised Share Capital of the Company be increased from ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 1,50,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each to ₹25,00,00,000/- (Rupees Twenty five Crores only) divided into 2,00,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each."

"RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be substituted as under:-

"The Authorised Share Capital of the Company is ₹25,00,00,000/- (Rupees Twenty five Crores only) divided into 2,00,00,000 Equity Shares of ₹10/- each and 5,00,000/- Preference Shares of ₹100/- each with such rights, privileges and obligations as the Company may determine from time to time with the power to increase,

reduce, consolidate, sub-divide, convert, cancel, alter or otherwise reorganize the capital and to attach thereto such preferential, differential, qualified or special rights, privileges or conditions as may be determined from time to time and to provide for such rate of dividend on the Preference Shares as may be determined by the Directors and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being provided by the regulations of the Company."

"RESOLVED FURTHER THAT Shri N. K. Pasari, Managing Director and Shri Anant Kr. Singh, Company Secretary of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary, expedient and desirable to give effect to the aforesaid resolution."

By order of the Board

New Delhi
May 30, 2013

CS Anant Kr. Singh
(Company Secretary)

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, instead of him/her and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. A blank Proxy Form is enclosed.
2. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th September, 2013 to 19th September, 2013 (both days inclusive)
4. In respect of Equity Shares held in physical mode, all Members are requested to notify change in address, if any, to the Company/Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited quoting their folio number and changed address with Pin Code. In respect of Equity Shares held in demat mode, all Members are requested to intimate changes with respect to their bank details, mandate, address etc. to their respective Depository Participant.
5. Corporate Members intending to send their authorized representatives to attend and vote at the meeting,

are requested to send a duly certified copy of Board Resolution.

6. Pursuant to Section 109A of the Companies Act, 1956 individual shareholders holding shares of the Company singly or jointly in physical form are entitled to make nomination in respect of shares held by them. The relevant Form 2B can be obtained from the Company on request.
7. All the documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all Working days up to the date of the Annual General Meeting.
8. **Members desirous of asking any question or seeking any information in the meeting are requested to write a letter to the Company Secretary at least seven days before the date of meeting to enable the Management to keep the answer/information ready.**
9. Re-appointment of Directors:
Pursuant to the provisions of Articles of Association, Mr. B. N. Pasari and Mr. B. K. Pasari, Directors are retiring by rotation at the ensuing Annual General Meeting of the Company. The brief resumes of all such Directors and other information as per Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Report on Corporate Governance.
10. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.5

Presently, the Authorised Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 1,50,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each. It has become mentable to increase the Authorised Share Capital of the Company to enable to raise paid up capital further to diversify and expend activities of the Company.

The resolution is therefore to increase the Authorised Share Capital of the Company from ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 1,50,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each to ₹25,00,00,000/- (Rupees Twenty five Crores only) divided into 2,00,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each.

In view of the fact that the Authorised Share Capital of the Company is being increased, the existing Clause V of the Memorandum of Association of the Company needs to be amended.

The members are requested to pass necessary resolution set out in the notice as ordinary resolution to carry out the necessary amendment in the memorandum.

None of the directors is interested in this resolution.

By order of the Board

New Delhi
May 30, 2013

CS Anant Kr. Singh
(Company Secretary)



DIRECTORS' REPORT

To the Members,

The Board of Directors hereby present the 41st Annual Report on the business and operations of your Company along with the summary financial statements for the year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ in Lacs)

	2012-13	2011-12
Revenue from Operations (Net)	14,777.59	14,833.25
Profit / (Loss) before finance cost, depreciation & exceptional items	1,206.30	1,482.25
Finance Cost	792.42	798.14
Depreciation & Amortisation Expenses	554.66	546.80
Exceptional Items	-	94.09
Profit/(Loss) before Taxation	(140.78)	43.22
Tax Expenses	(626.48)	-
Profit/(Loss) after Tax	(767.26)	43.22

During the year under review, the Company has achieved sales turnover of ₹14,777.59 lacs against previous year sales of ₹14,833.25 lacs. The Company has incurred loss before tax of ₹140.78 lacs against previous year profit of ₹43.22 lacs. The performance has been effected due to lower sales volumes and non receipt of expected sales realisation in coated paper segment of Bahadurgarh unit and some technical problem in the boiler of Keshwana unit. As on 31st March, 2013, the accumulated losses have fully eroded the net worth of the Company but with the implementation of various measures to improve the operating results, the Company expects to perform better in the future. As per provisions of law, necessary reference will be made to Board for Industrial and Financial Reconstruction within prescribed time.

DIVIDEND

The Directors are unable to recommend any dividend on equity shares due to unabsorbed depreciation and accumulated losses of previous years. Because of this reason, 4% dividend aggregating to ₹23.40 lacs (including dividend distribution tax) on the outstanding 4% cumulative redeemable preference shares has also been accumulated.

SHARE CAPITAL

During the year, the Company has allotted 20,00,000 Equity Shares of ₹10/- each at a premium of ₹0.45 per share on preferential allotment basis.

DIRECTORS

Mr. B. N. Pasari and Mr. B. K. Pasari, Directors, retire

by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Loss of the Company for that year;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of

Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

PARTICULARS OF EMPLOYEES

Disclosure of details required in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable as none of the employee was in receipt of remuneration in excess of the limits prescribed therein.

PUBLIC DEPOSITS

During the year under review, your company has neither invited nor accepted any public deposit from the public within the meaning of section 58A of the Companies Act, 1956 and rule framed there under.

CURRENT OUTLOOK

The paper industry in India is one of the most significant industries in the country. India is an excellent and vibrant market for Paper and Paper products due to high spending of the middle class people and some of the Government initiatives in the Social Development front also make the industry more vibrant. Every year a huge number of children enter into schools, which roughly creates demands of a million tons of paper every year. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

AUDITORS AND AUDITORS' REPORT

M/s. Singal Bros. & Associates, Chartered Accountants, New Delhi, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Auditors' Report to the shareholders on the Financial Statements of the Company for the Financial Year ended 31st March, 2013 does not contain any qualification.

The observations of Auditors' and Notes to the Financial Statements are self-explanatory.

COST AUDITORS

The Central Government has approved the appointment of

M/s. Vijender Sharma & Co., Cost Auditors for conducting Cost Audit for the financial year 2012-13. Cost Audit Reports for the same would be submitted to the Central Government within the prescribed time.

Pursuit to rule 5 of the Cost Audit Report Rules, Cost Auditor Reports of Paper for the year ended March 31, 2012 were filed with the Central Government within extended due date on January 30, 2013.

COPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are listed at Bombay Stock Exchange. The Company's delisting application with Calcutta Stock Exchange is pending since long.

ACKNOWLEDGEMENT

The Directors would like to thank the Shareholders, Customers, Dealers, Suppliers, Bankers, Government and all the other business associates for their support extended to the Company and their confidence in the Management. The Directors also wish to convey their gratitude and appreciation to all the employees for their enormous personal efforts as well as their collective dedication and contribution for the Company.

For and on behalf of the Board of Directors

New Delhi
May 30, 2013

P.N. Singh
Director

N.K. Pasari
Managing Director



ANNEXURE 'A' TO THE DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

Energy Conservation measures taken, Results Achieved & Plans for the future

1. Installation of poacher washer in place of vacuum washer to reduce the power cost.
2. Purchase of additional boiler to increase the capacity of steam and reduce fuel cost.
3. Installation of various standby pumps and motors to reduce down time.
4. Regular efforts are being made for energy conservation.

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	<u>2012-2013</u>	<u>2011-2012</u>
1. Electricity		
(a) Purchased		
Units Consumed (Kwh)	2,54,65,026	2,63,15,965
Total Amount (₹ in lacs)	1,424.80	1,267.77
Rate per unit (₹)	5.60	4.82
(b) Own Generation (Through Diesel & Gas)		
Units Generated (Kwh)	16,92,416	22,40,540
Units per Ltr. of Diesel & per SCM of Gas	3.23	3.17
Cost per unit (₹)	11.17	8.95
2. Furnace Oil/LDO		
Quantity (Ltrs.)	-	4,680
Total Amount (₹ in lacs)	-	1.37
Average Rate (₹ per Ltr)	-	29.20
3. Gas (RNG)		
Quantity (SCM)	7,48,489	9,35,041
Total Amount (₹ in lacs)	200.11	182.42
Average Rate (₹ per SCM)	26.74	19.51
4. Mustard Husk		
Quantity (Kgs.)	1,81,23,420	1,84,15,363
Total Amount (₹ in lacs)	558.65	537.15
Average Rate (₹ per Kg.)	3.08	2.92
B. Consumption per unit of Production		
Electricity - Unit per MT		
-In Coating unit	130	106
-In Paper Manufacturing unit	763	814
Own Generation (Diesel & Gas) - Unit per MT	209	246
Furnace Oil - Ltrs. per MT	-	1
Gas (RNG) - SCM per MT	96	105
Mustard Husk	565	591

II. TECHNOLOGY ABSORPTION

FORM B
DISCLOSURE OF PARTICULARS WITH RESPECT TO
TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

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

- Installation of bigger size bearings along with bracket/housing.
- Installation of complete pulp street.
- Specific R&D carried out in laboratory to use cheaper raw material.

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

- Significant reduction in frequent breakdowns.
- Availability of sufficient pulp quantity as per increased production.
- Reduction in cost of raw material.

3. Future plan of action:

- Utilisation of ETP water into process by putting necessary sand filters.
- Further reduction in cost of raw material
- Continuous R&D for increased production of better quality.

4. Expenditure on R & D:

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

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Modification in HD Pulper and other related equipments.
- Installation of heavy duty breast roll to meet the increased speed.
- Modification in various parts to meet the increased production.

2. Benefits derived as a result of the above efforts, (e.g.) product improvement, cost reduction, product development, import substitution, etc.:

- Betterment of pulp quality.
- Reduction in cost of production.
- Significant improvement in the quality of finished production.

3. Technology imported during the last five years:

No specific technology has been imported during the last five years.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new Export market for products and services and export plans:

During the year under review, the Company has made export to Singapore. The Company is in continuous process to promote its products in other countries to increase its market share. The Company promptly responds on the enquiry/ information received from the prospective buyers.

2. Total Foreign Exchange used and earned:

Expenditure in Foreign Currency : ₹ 560.83 lacs

FOB Value of exports : ₹ 15.55 lacs

For & on behalf of the Board

New Delhi
May 30, 2013

P.N. Singh
Director

N.K. Pasari
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

The paper industry in India has been in existence since ancient times, experiencing a paradigm change over the years. Paper & Paper Board has become an essential requirement of our life. The Paper Industry in India is the 15th largest paper industry in the World. Presently, there are approx. 800 paper mills functioning all over the Country. These industries manufacture various types of paper materials required for different purposes. This industry is known to be one of the leading industries in India as it provides employment to more than 1.5 million people.

Opportunities and Threats

The Indian paper industry offer many opportunities for the innovative use of limited resources. Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, tissue etc. The paper industry in India is moving up with a strong demand push and is in expansion mode to meet the projected demand of 20 Million tonnes by 2020.

Growth of paper industry in India has been constrained due to high cost of production caused by inadequate availability and high cost of raw materials, power cost and concentration of mills in any particular area. Pricing pressures due to low demand and excess capacity is also having negative impact on the growth of the industry.

Future Outlook

The paper industry in India is one of the most significant industries in the country. India is an excellent and vibrant market for Paper and Paper products due to high spending of the middle class people and some of the Government initiatives in the Social Development front also make the industry more vibrant. Every year a huge number of children enter into schools, which roughly creates demands of a million tons of paper every year. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

Risk & Concerns

The Company on regular basis reviews its Risk Management Policy and takes proactive steps to safeguard and minimize any adversity related to the Market, Technology, People, Environment/Regulatory, Financial and Opportunity Risks. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding from unforeseen risks.

Internal Control System and their adequacy

The Company has adequate internal control system and well

laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient and proper usage of all its assets and reliability of financial and operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Company's Board has an Audit Committee which comprises of three members, all of whom are Independent Directors. The Audit Committee reviews significant findings of the internal audit.

Financial Performance

During the year under review, the Company has achieved sales turnover of ₹14,777.59 lacs against previous year sales of ₹14,833.25 lacs. The Company has incurred loss before tax of ₹140.78 lacs against previous year profit of ₹43.22 lacs. The performance has been effected due to lower sales volumes and non receipt of expected sales realisation in coated paper segment of Bahadurgarh unit and some technical problem in the boiler of Keshwana unit.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various Human Resource initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Technical and safety training programmes are given periodically to workers.

Industrial relations in the organization continued to be cordial during the year under review. The Company had 491 employees on its payrolls as on 31 March, 2013.

CAUTIONARY STATEMENT:

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Shree Krishna Paper Mills & Industries Limited (the Company) continuously strives to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Its business culture and practices are based upon a common set of strong ethical values. These principles govern the Company's relationships with customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in.

BOARD OF DIRECTORS

i) Composition

The Company has 6 Directors on its Board, of which 3 Directors are independent. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Details of Directors, categories and attendance records are as under-

Name/Designation of Directors	Executive/ Non Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at Last AGM
		Board#	Committee		
Mr. N. K. Pasari (Managing Director)	ED (P)	2	NIL	14	No
Mr. B.N. Pasari	NED (P)	5	NIL	7	No
Mr. B.K. Pasari	NED (P)	2	NIL	5	Yes
Mr. L. C. Sharma	NED (I)	1	NIL	7	Yes
Mr. P.N. Singh	NED (I)	1	NIL	12	No
Mr. D.R. Mehta*	NED (I)	NIL	NIL	3	No
Mr. L.C. Parashar**	NED(I)	1	NIL	10	No

*resigned from directorship w.e.f. 6th June, 2012.

**appointed as an additional director w.e.f. 6th June, 2012

#excludes directorship in Private Limited Company

ED (P) - Executive Director (Promoter)

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

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

ii) Number of Board Meetings held

During the year ended March 31, 2013, fourteen Board Meetings were held on the following dates:

9th April, 2012, 20th April, 2012, 11th May, 2012, 6th June, 2012, 11th August, 2012, 13th August, 2012, 14th September, 2012, 17th September, 2012, 26th October, 2012, 10th November, 2012, 12th December, 2012, 21th January, 2013, 12th February, 2013 and 28th March, 2013. The maximum time gap between any two Board Meetings was 65 Days.

iii) Brief Profile of Directors proposed for re-appointment

As required under Clause-49 of the Listing Agreement, the brief resume of the Directors proposed for re-appointment and other information is furnished below:

a) Mr. B. N. Pasari, aged about 83 is a Director of the Company since 1980. He is Matriculate and having rich experience of about 60 years in trading Business. He is a Director in Amer Hotels Ltd, Bishwanath Traders & Investments Ltd., Bishwanath Industries Ltd., Civil Lines

Properties (P) Ltd., Sirohi investment Ltd., Seven Star InfoSoft (P) Ltd., Ramgarth infotech (P) Ltd., Bijay Paper Traders Limited. He holds 200 equity shares in the Company.

b) Mr. B. K. Pasari, aged about 69 is a Director of the Company since 1974. He is Commerce graduate from Calcutta University and posses about 48 Years experience in paper trade. He is a Director in Konark (India) Ltd., Raysinet Kemikal (P) Ltd., West Wing Estates (P) Ltd., Arcus Estates (P) Ltd., Pegasus Infra Estates (P) Ltd., Radhika Exports Ltd. He does not hold any equity shares in the Company.

COMMITTEES OF THE BOARD

The Board has constituted the following three Committees for efficient functioning of the Company:

i) Audit Committee

The Company had constituted an Audit Committee in the year 2000. The scope of the activities of the Audit Committee is as set out in Clause-49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies



Act, 1956. The terms of reference of the Audit Committee are broadly as follows :

- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- To review the quarterly, half-yearly, annual financial results and cost Audit report of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- Recommending the appointment of Statutory Auditors and fixation of their remuneration.

Mr. L.C Sharma, Chairman of the Audit Committee was present at the Annual General Meeting held on 20th September, 2012.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below

Sr. No.	Name	Category	No. of Meetings attended
1.	Mr. L. C. Sharma	NED (I)	6
2.	Mr. P.N. Singh	NED (I)	6
3.	Mr. D. R. Mehta*	NED (I)	1
4.	Mr. L.C. Parashar**	NED (I)	5

*resigned w.e.f. 6th June,2012.

**appointed w.e.f. 6th June,2012.

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

Audit Committee meetings are attended by the Sr. Vice President (Finance) and representatives of Statutory Auditors & Cost Auditor. The Company Secretary acts as the Secretary of the Audit Committee.

During the year 2012-13, six Audit Committee Meetings were held on 10th May, 2012, 11th August, 2012, 13th August, 2012, 14th September, 2012, 10th November, 2012 and 12th February, 2013. The necessary quorum was present at the meetings.

ii) Shareholders' / Investors' Grievance Committee

The Board has constituted the Shareholders/Investors Committee to specifically look into the redressal of investors grievances. The main object of the Committee is to strengthen the investor's relations. The functioning and broad terms of reference of the Committee includes monitoring the work relating to transfer/transmission of shares, dematerialization/rematerialization of shares, redressal of complaints like transfer of shares, non-receipt of Balance Sheet etc.

During the year-2012-13, five meetings of the Investor Grievance Committee were held on 30th May, 2012, 31st July, 2012, 29th September, 2012, 31st December, 2012 & 30th March, 2013.

Mr. P. N. Singh, the Chairman of the Committee and Mr. D. R. Mehta*, Mr. L. C. Sharma and Mr. L. C. Parashar** members of the committee are Non-Executive and Independent Directors of the Company. The Committee also recommends measures for overall improvement in the quality of investor services.

*resigned w.e.f. 6th June, 2012.

**appointed w.e.f. 6th June, 2012.

iii) Remuneration Committee

The Remuneration Committee determines the Company's policy on all elements of the remuneration payable to Executive Directors. The remuneration policy of the Company is aimed at rewarding performance based on periodic review of achievements.

The Committee consisting of Mr. L. C. Parashar** and Mr. D. R. Mehta* as Chairman, Mr. L. C. Sharma & Mr. P. N. Singh as members of the committee.

*resigned w.e.f. 6th June,2012.

**appointed w.e.f. 6th June,2012.

4. REMUNERATION TO DIRECTORS

(i) Remuneration to Managing Director

The details of remuneration paid to Mr. N. K. Pasari, Managing Director during the year ended March 31, 2013 is as under:-

(Amount in ₹)

Salary#	HRA	Total
4,64,904	1,21,333	5,86,237

Salary includes bonus, provident fund and leave travelling allowance.

(ii) Criteria of making payments to Non-executive Directors

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

(iii) Details of shareholding of Non-Executive Directors

Details of shareholding of Non-Executive Directors as on March 31, 2013 is as under:

Name of the Director	Category / Status	No. of Shares held	No. of convertible instruments
Mr. B.N. Pasari	Non-Executive Director	200	-
Mr. B.K. Pasari	Non-Executive Director	-	-
Mr. D.R. Mehta*	Non-Executive Director	-	-
Mr. L. C. Sharma	Non-Executive Director	-	-
Mr. P.N. Singh	Non-Executive Director	-	-
Mr. L.C. Parshar**	Non-Executive Director	-	-

*resigned from Directorship w.e.f. 6th June, 2012.

**appointed w.e.f. 6th June,2012

The Company does not have any stock option plan for the Directors.

5. MANAGEMENT

The Management Discussion and Analysis on all the matters as specified in Clause 49 of the Listing Agreement has been included and is a part of the Annual Report.

6. CEO/CFO CERTIFICATION

The Managing Director and Sr. Vice President (Finance) have given the certificate to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges.

7. CODE OF CONDUCT

The Company has a Code of Conduct for its Directors and designated senior management personnel. The Code of Conduct is available on the website of the Company (www.skpmil.com). All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2012-2013.

Declaration under clause 49 1 (D) for compliance with Code of Conduct

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, N. K. Pasari, Managing Director of the Company confirm the compliance of this Code of Conduct by all the members of the Board and Senior Management personnel.

For Shree Krishna Paper Mills & Industries Ltd

New Delhi
May 30, 2013

N. K. Pasari
Managing Director

8. SHAREHOLDERS

i) Means of Communication

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its Shareholders a full version of its Annual Report.

The Ministry of Corporate Affairs (MCA) has promoted "Green Initiative" to encourage e-enabled regulatory compliances. In furtherance of this important initiative, the MCA has permitted Companies to provide its shareholders documents, including the Annual Report, by electronic mode.

In support of MCA's endeavours in this direction, the Company will be sending its Annual Report as well as other shareholder correspondence by email, to those shareholders whose e-mail addresses are registered with the Company. However, in case Shareholders desire to receive a physical copy of the Annual Report, the Company will be happy to provide the same on their request.

The financial results of the Company are usually published in the Financial Express (English) and Duranto Barta (Bengali language) both Kolkata editions

Website: the company's website www.skpmil.com contains a separate dedicated section "Investor" where shareholders information is available. The annual report of the company is also available on the website in a user-friendly and download form.

ii) Compliance Officer

Mr. Anant Kumar Singh, Company Secretary is the compliance officer for complying with requirement of the Securities Laws and the Listing Agreements with the Stock Exchange.

iii) Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and designated Executives. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company. Mr. S. K. Agarwal, Sr. Vice President (Finance) is the Compliance Officer for complying with the said code.

iv) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

v) General Body Meetings

Details of location, time and date of last three Annual General Meetings of the Company were held:

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2009-10	Aparna Business Centre, 5 Clive House, Strand Road, Kolkata – 700 001	22 nd September, 2010, 10.00 A.M.	Resolution for Re-appointment of Managing Director for the period of one year w.e.f. 01 st January, 2011 without any Remuneration.
2010-11	Aparna Business Centre, 5 Clive House, Strand Road, Kolkata – 700 001	28 th September, 2011, 10.00 A.M.	Resolution of Preferential Allotment of 6,50,000 equity shares to M/s Gopala Sales Pvt. Ltd.
2011-12	Aparna Business Centre, 5 Clive House, Strand Road, Kolkata – 700 001	20 th September, 2012, 10.00 A.M.	Resolution of Preferential Allotment of 20, 00,000 Equity Shares to Vijay Kumar Gupta

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



any resolution through postal ballot in the ensuing Annual General Meeting of the Company.

9. DISCLOSURES

- a) There were no materially significant related party transactions between the Company and its Directors & Promoters, which had potential conflict with the interests of the Company at large. The details of related party transactions during the year have been set out under Note No. 2.42 of Notes to Financial Statements.
- b) The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to Capital Markets during the last three years and no penalties or strictures have been imposed on the Company by any of the authorities during the above said period.
- c) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

10. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

Date : 27th September, 2013
 Day : Friday
 Time : 10.00 A.M.
 Venue : MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700 001

ii) Financial Calendar (tentative):

Board Meeting to take on record	Schedule
Results for the *Quarter ending 30 th June, 2013	On or before Aug 14, 2013
*Quarter ending 30 th September, 2013	On or before Nov 14, 2013
*Quarter ending 31 st December, 2013	On or before Feb 14, 2014
*Quarter ending 31 st March, 2014	On or before May 30, 2014

iii) Book Closure Date: 12th September, 2013 to 19th September 2013 (both days inclusive).

iv) Listing on Stock Exchanges:

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

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

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

Note: The Company has paid the Listing Fee to Bombay Stock Exchange Ltd. upto 2013-2014.

v) Stock Market Data:

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

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2012	10.47	10.47	17,664.10	17,010.16
May, 2012	11.02	10.47	17,432.33	15,809.71
June, 2012	10.99	10.47	17,448.48	15,748.98
July, 2012	10.45	10.45	17,631.19	16,598.48
August, 2012	10.97	10.90	17,972.54	17,026.97
September, 2012	11.50	10.90	18,869.94	17,250.80
October, 2012	11.50	11.50	19,137.29	18,393.42
November, 2012	12.07	11.47	19,372.70	18,255.69
December, 2012	11.50	10.93	19,612.18	19,149.03
January, 2013	12.60	12.00	20,203.66	19,508.93
February, 2013	13.23	12.60	19,966.69	18,793.97
March, 2013	12.96	11.71	19,754.66	18,568.43

Source: www.bseindia.com

vi) Registrar and Share Transfer Agents:

M/s. Link Intime India Pvt. Ltd has been appointed as the Registrar and Share Transfer Agents for the equity shares of the Company in physical and electronic form. Shareholders/ Investors can direct all correspondence with regard to share transfer, transmission and change of address etc. at their following address:

M/s. Link Intime India Pvt. Ltd.
 44, Community Centre, 2nd Floor,
 Naraina Indl. Area, Phase-I,
 New Delhi-110028
 Ph. # 011- 41410592 to 94
 Fax # 011- 41410591

Email Id.: delhi@linkintime.com

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

vii) Share Transfer System:

M/s. Link Intime India Pvt. Ltd. processes all share transfers/transmissions and then put the same for approval by the Share Transfer Committee of the Company. The meeting of Share Transfer Committee is held at least once in a fortnight. All the physical share certificates are sent to the transferees subsequent to transfer within the prescribed period.

viii) Status of Complaints/queries and their redressal as on March 31, 2013:

During the year 2012-13, the Company had not received any complaints. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders.

ix) Pending Share Transfers:

No Share transfers were pending as on March 31, 2013.

x) Dematerialization of Shares :

The Company has entered into an agreements with NSDL and CDSL for dematerialization of shares. As on March 31, 2013, a total of 29,77,562 Equity Shares representing 22.02% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

The Company's ISIN No. : INE 970C01012

xi) Distribution of Shareholding:

The distribution of shareholding as on March 31, 2013 was as under:

Shareholding of Shares (₹)	Shareholders Number	%	No. of Shares	%
1 to 2500	807	60.31	9,89,220	0.73
2501 to 5000	293	21.90	11,58,400	0.85
5001 to 10000	135	10.09	11,58,930	0.86
10001 to 20000	39	2.92	5,94,900	0.44
20001 to 30000	20	1.49	5,26,470	0.39
30001 to 40000	8	0.60	2,79,160	0.21
40001 to 50000	8	0.60	3,65,330	0.27
50001 to 100000	8	0.60	6,09,220	0.45
100001 & above	20	1.49	12,95,35,170	95.80
Total	1338	100.00	13,52,16,800	100.00

xii) Outstanding GDRs/ADRs /Warrants etc:

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2013.

xiii) Plant Location :

Coating Division:	Paper Division:
T-4, Old Industrial Area, Bahadurgarh - 124 507 Distt. Jhajjar (Haryana)	Plot No. "SPL-A" RIICO Industrial Area, Vill. - Keshwana, Tehsil - Kotputli, Distt. Jaipur (Rajasthan)

xiv) Address for Correspondence:

Shree Krishna Paper Mills & Industries Ltd.
4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi -110002.
Phone Nos.: 91-11-23261728, 30953200, 201.
Fax No.: 91- 11-23266708
E-mail ID: cs@skpmil.com
Website: www.skpmil.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of,
Shree Krishna Paper Mills & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

We state that no investor grievances are pending other than those, which are under litigation, disputes or court orders for a period exceeding one month against the Company as per the records maintained by the Company.

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

For Singal Bros. & Associates
(Firm Regn. No. 002031N)
Chartered Accountants

May 30, 2013
New Delhi

(Subhash Gupta)
Partner
Membership No. 095387



INDEPENDENT AUDITOR'S REPORT

To
The Members of Shree Krishna Paper Mills & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shree Krishna Paper Mills & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note no. 2.38 of the financial statements which describes the preparation of financial statements on going concern assumption despite of erosion of net worth. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 accounts;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any

notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be

paid, no cess is due and payable by the Company.

For Singal Bros. & Associates
Chartered Accountants
Firm's Registration Number 02031N

(CA Subhash Gupta)

New Delhi
Date : May 30, 2013

Partner
Membership No. 095387

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed Assets have been physically verified by the management during the year based on a phased programme of verification which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) As per the information and explanations given to us, the inventories (except goods in transit) has been physically verified by the management during the current year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) As per the information and explanations given to us, the Company is maintaining proper records of inventories. Discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable.
- (b) The Company has taken unsecured loans from two Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹117.55 lacs and year end balance of loans taken from such parties is ₹117.55 lacs.
- (c) In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not prima facie prejudicial to the interest of the Company.
- (d) The Company is regular in payment of interest and principal, as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been entered into the register maintained under section 301 of the Companies Act, 1956 in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time except in cases where comparison could not be made in the absence of similar transactions with other parties.
- (vi) As per the information and explanations given to us, the Company has not accepted any deposits from the public of the nature which attracts the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder. Therefore the provisions of clause 4 (vi) of the said Order are not applicable to the Company.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account



maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of paper industries and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they becoming payable as at March 31,2013.
- (b) According to the records of the Company, the dues outstanding in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute aggregating ₹4352.14 lacs, are as follows:

(₹ in Lacs)

Nature of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Custom Duty	228.14	2002-2003	Hon'ble High Court, Jaipur.
Central Excise Act, 1944	Excise Duty	3.00	November, 2006 to July, 2007	Hon'ble CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	19.22	02-03-2004 to 13-04-2007	Hon'ble CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	0.27	September, 2007 to March, 2008	Hon'ble CESTAT, New Delhi
Central Excise Act, 1944	Service Tax	0.32	2006-2008	Hon'ble CESTAT, New Delhi
Pollution Control Board	Water Cess	5.08	01-06-2007 to 31-03-2012	Cess Appellate Committee
Central Excise Act, 1944	Service Tax	7.16	10-09-2004 to 31-03-2007	Jt. Commissioner (Excise)
Central Excise Act, 1944	Excise Duty	3819.94	19-01-2004 to 31-03-2012	Commissioner (Excise)
LADT -Haryana	Sales Tax	234.86	Various years	Hon'ble Supreme Court
Custom Act,1962	Custom Duty	21.83	08-07-2011 to 27-07-2011	Commissioner (Appeal), Jaipur
Central Excise Act, 1944	Service Tax	12.32	2009-10 & 2010-2011 (Upto Nov,2010)	Commissioner Appeal (Excise)

- (x) *The Company has accumulated losses as per books of account at the end of the financial year which is more than 50% of its net worth.* The Company has not incurred cash losses during the current financial year

and in the immediately preceding financial year.

- (xi) As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a Nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has raised new term loans during the year and has utilized the term loans during the year for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us by the management which have been relied upon by us, no fraud on or by the Company has been noticed or reported during the year.

For Singal Bros. & Associates
Chartered Accountants
Firm's Registration Number 02031N

(CA Subhash Gupta)
Partner

New Delhi
Date : May 30, 2013

Membership No. 095387

BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013	(₹ in lacs) As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2.1	1,852.17	1,652.17
Reserves & Surplus	2.2	(2,352.01)	(1,593.75)
(2) Non-Current Liabilities			
Long Term Borrowings	2.3	2,493.18	3,229.39
Other Long Term Liabilities	2.4	313.75	266.75
Long Term Provisions	2.5	174.83	148.07
(3) Current Liabilities			
Short Term Borrowings	2.6	3,132.60	2,574.39
Trade Payables	2.7	1,163.48	1,515.82
Other Current Liabilities	2.8	1,162.98	1,262.30
Short Term Provisions	2.9	22.29	23.68
TOTAL (1 to 3)		7,963.27	9,078.82
II. ASSETS			
(1) Non Current Assets			
Fixed Assets			
(i) Tangible Assets	2.10	3,331.23	3,676.11
(ii) Capital Work-in-Progress		95.80	2.32
Non-Current/Long Term Investments	2.11	1.22	1.22
Deferred Tax Assets (Net)	2.12	-	626.48
Long Term Loans and Advances	2.13	169.19	144.68
Other Non-Current Assets	2.14	14.32	25.20
(2) Current Assets			
Inventories	2.15	1,963.90	2,031.89
Trade Receivables	2.16	1,590.99	1,838.88
Cash & Bank Balances	2.17	250.35	193.67
Short Term Loans and Advances	2.18	531.03	519.43
Other Current Assets	2.19	15.24	18.94
TOTAL (1 to 2)		7,963.27	9,078.82
Significant Accounting Policies	1		
Notes to Financial Statements	2		

In terms of our attached audit report

For Singal Bros. & Associates

Firm Regn.No. : 002031N

Chartered Accountants

(Subhash Gupta)

Partner

Membership No. 095387

New Delhi

May 30, 2013

For and on behalf of the Board

N. K. Pasari
Managing Director**P.N. Singh**

Director

CS Anant Kr. Singh
Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2013

	Note No.	Year ended March 31, 2013	(₹ in lacs) Year ended March 31, 2012
I) Revenue from Operations			
Sales of Products	2.20	15,011.62	15,022.99
Other Operating Revenue	2.20	44.84	39.04
		<u>15,056.46</u>	<u>15,062.03</u>
Less: Excise Duty		278.87	228.78
Revenue from Operations (Net)		<u>14,777.59</u>	<u>14,833.25</u>
II) Other Income	2.21	37.55	44.30
III) TOTAL REVENUE (I + II)		<u>14,815.14</u>	<u>14,877.55</u>
IV) EXPENSES			
Materials Consumed	2.22	9,320.37	9,554.16
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	2.23	(50.77)	(45.95)
Employee Benefits Expense	2.24	842.31	732.08
Finance Cost	2.25	792.42	798.14
Depreciation and amortization expense	2.10	554.66	546.80
Other Expenses	2.26	3,496.93	3,155.01
V) TOTAL EXPENSES		<u>14,955.92</u>	<u>14,740.24</u>
VI) Profit/(Loss) Before Tax and Exceptional Items (III - V)		(140.78)	137.31
VII) Less: Exceptional Items	2.27	-	94.09
VIII) Profit/(Loss) Before Tax (VI - VII)		(140.78)	43.22
IX) Tax Expenses			
Deferred Tax	2.12	626.48	-
X) Profit / (Loss) for the Year (VIII - IX)		<u>(767.26)</u>	<u>43.22</u>
XI) Earnings Per Equity Share of Face Value of ₹10/- each			
Basic and Diluted (in ₹)	2.28	(6.39)	0.20
Significant Accounting Policies	1		
Notes to Financial Statements	2		

In terms of our attached audit report

For Singal Bros. & Associates

Firm Regn.No. : 002031N

Chartered Accountants

(Subhash Gupta)

Partner

Membership No. 095387

New Delhi

May 30, 2013

For and on behalf of the Board

N. K. Pasari
Managing Director

P.N. Singh
Director

CS Anant Kr. Singh
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013	(₹in lacs) Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(140.78)	43.22
Adjustments for :		
Depreciation & Amortization	554.66	546.80
Finance Cost	792.42	798.14
Loss on Sale of Fixed Assets	3.82	2.97
Exceptional Items	-	94.09
Interest Income	(25.74)	(23.13)
Exchange Rate fluctuations	4.75	13.43
Sundry Balance W/off	(1.50)	(0.87)
Prior Period Adjustments	7.29	(2.02)
Provision for Doubtful Debts	4.04	(4.44)
Operating Profit Before Working Capital Changes	1,198.96	1,468.19
Adjustments for :		
(Increase) / decrease in inventories	67.99	64.32
(Increase) / decrease in trade, other receivables & Loans & advances	215.25	(595.02)
Increase / (decrease) in trade and other payables	(229.35)	85.55
Cash Generated/(Used) From Operations	1,252.85	1,023.04
Direct Tax Paid	(2.39)	(1.72)
Net Cash Inflow/ (Outflow) From Operating Activities (A)	1,250.46	1,021.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including CWIP)	(310.93)	(271.52)
Sale Proceed of Fixed Assets	3.85	0.92
Interest Income	25.74	23.13
Net Cash Inflow/ (Outflow) in Investing Activities (B)	(281.34)	(247.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares (including premium)	209.00	331.20
Proceeds from Long Term Borrowings	281.74	290.50
Repayment of Long Term Borrowings	(1,177.00)	(850.96)
Proceeds from Short Term Borrowings (Net)	558.21	283.93
Finance Cost Paid	(789.33)	(785.38)
Net Cash Inflow/ (Outflow) in Financing Activities (C)	(917.38)	(730.71)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	51.74	43.14
Cash & Cash Equivalents at the beginning of the year	135.38	92.24
Cash & Cash Equivalents at the end of the year (Refer Note No. 2.17)	187.12	135.38



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Contd.)

	<u>Year ended</u> <u>March 31, 2013</u>	<u>(₹in lacs)</u> <u>Year ended</u> <u>March 31, 2012</u>
<u>Components of Cash & Cash Equivalents</u>		
Balance with Banks		
In Current Accounts	129.60	129.78
In Fixed Deposits (Maturing within 3 months)	50.00	-
Cheque on hand	2.27	1.25
Cash on hand	5.25	4.35
	<u>187.12</u>	<u>135.38</u>

Notes:-

- (i) Cash Flow Statement has been prepared in accordance with AS 3 notified under the Companies Accounting Standard Rules, 2006 using indirect method.
- (ii) Figures in brackets represent outflow
- (iii) Previous year figures have been regrouped/rearranged wherever necessary.

In terms of our attached audit report

For and on behalf of the Board

For Singal Bros. & Associates

Firm Regn.No. : 002031N

Chartered Accountants

N. K. Pasari
Managing Director

(Subhash Gupta)

Partner

Membership No. 095387

P.N. Singh

Director

New Delhi

May 30, 2013

CS Anant Kr. Singh

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO FINANCIAL STATEMENTS

1) SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain classes of fixed assets which are carried at revalued amounts. These statements comply with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and other pronouncements of the Institute of Chartered Accountants of India ('ICAI'). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of operations of the Company, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of all assets and liabilities.

b) USE OF ESTIMATES

The preparation of the financial statements is in conformity with India GAAP (Generally Accepted Accounting Principles) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management's best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made, actual results could differ from those estimated. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) TANGIBLE FIXED ASSETS

(i) Recognition

Tangible Fixed Assets are stated at cost of acquisition or construction (net of duties and taxes that are subsequently recoverable from the taxing authorities) less accumulated depreciation except in case of certain class of fixed assets which have been revalued and thus are stated at revalued amount less accumulated depreciation. All costs that are directly attributable to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of qualifying tangible fixed assets.

(ii) Capital Work-in-Progress

Capital Work-in-Progress is stated at cost and includes expenditure incurred in connection with the fixed assets and pending allocation on acquisition of fixed assets. Borrowing costs directly attributable to the asset are included in the cost of capital work in progress.

(iii) Depreciation & Amortization

Depreciation on tangible fixed assets is charged on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets purchased/acquired during the year is charged from the date of addition/purchase of the asset. Similarly, depreciation on assets sold/discarded during the year is charged up on the sale/discard of the assets. Depreciation on addition on account of revaluation is recouped from Revaluation Reserve. Leasehold land is amortized over a period of lease.

d) CASH & CASH EQUIVALENTS

Cash & cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

e) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

f) INVESTMENT

Long-Term/Non-Current Investments are stated at cost. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of



an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g) INVENTORIES

Inventories except scrap are valued at lower of cost and net realizable value. Scrap is valued at estimated realizable value. Cost is determined on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

h) TRANSACTIONS IN FOREIGN CURRENCY

- i. Transactions are recorded at exchange rates prevailing on the date of transaction.
- ii. Foreign Currency designated assets and liabilities are restated at the year end rates and the resultant gain or loss is taken to the Statement of Profit & Loss.

i) REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection:

- i. Sale of goods is recognized on transfer of significant risk and reward of ownership which is generally on the dispatch of goods.
- ii. Interest income from parties, insurance claim, excise and other claims/refunds are recognized when there is a reasonable certainty of ultimate collection on the ground of prudence.
- iii. Other items of income are recognized on accrual basis.

j) GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and related to income in equal amounts over the expected useful life of the related asset.

k) EMPLOYEE BENEFITS

i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, short term compensated absences and bonus that are recognized as expenses in the period in which the employee renders the related service.

ii) Post-Employment Benefits

a) Defined Contribution Plans

The Company has a Defined Contribution Plan for Post Employment Benefits in the form of Provident/Family Pension Fund for all employees which is administered by Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution plans are charged to the Statement of Profit and Loss as and when incurred.

b) Defined Benefit Plans

Funded Plan : The Company has a Defined Benefit Plan for Post Employment Benefit in the form of Gratuity, which is administered through Life Insurance Corporation of India(LIC), liability for which is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit (PUC) Method.

iii) Other Long Term Employee Benefits

Liability for compensated absences is provided on the basis of valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit (PUC) Method.

- iv) Termination benefits are recognized as an expense as and when incurred.
- v) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

l) BORROWING COST

Borrowing costs are interest, commitment charges and other costs incurred by an enterprise in connection with Short Term/Long Term borrowing of funds. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as a part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they are incurred.

m) TAXATION

Tax expenses for the year comprising current tax & deferred tax are considered in determining the net profit for the year. A provision is made for current tax and based on tax liability computed in accordance with relevant tax rates & tax laws applicable to the Company. A provision is made for deferred tax for all timing difference arising between taxable income & accounting income at currently enacted or substantively enacted tax rates. Deferred tax assets are recognized only if there is reasonable/virtual, as the case may be, certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

n) EARNINGS PER SHARE

The earnings in ascertaining the Company's EPS comprises the net profit/(loss) after tax less preference dividend including dividend distribution tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period.

o) IMPAIRMENT OF ASSETS

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset might be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or other group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting period may no longer exist or may have decreased.

p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

(ii) Contingent Liabilities

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.



(iii) Contingent Assets

Contingent Assets are neither recognized nor disclosed in the financial statements.

q) LEASED ASSETS

Where the Company is a Lessee

Lease where the Lessor effectively retains substantially all the risks and benefits of ownership of the Leased Asset, are classified as 'Operating Leases'. Lease rentals with respect to assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on a straight line basis over the lease term.

Lease which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Amortization of capitalized leased asset is computed on Straight Line Method over the useful life of the asset. Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

2) NOTES TO FINANCIAL STATEMENTS

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.1) SHARE CAPITAL		
Authorised		
1,50,00,000 (P.Y.1,50,00,000) Equity Shares of ₹10/- each	1,500.00	1,500.00
5,00,000 (P.Y.5,00,000) Preference Shares of ₹100/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, Subscribed & Fully Paid		
1,35,21,680 (P.Y.1,15,21,680) Equity Shares of ₹10/- each	1,352.17	1,152.17
5,00,000 (P.Y.5,00,000) 4% Cumulative Redeemable Preference Shares of ₹100/- each.	500.00	500.00
	<u>1,852.17</u>	<u>1,652.17</u>

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

	As at March 31,2013		As at March 31,2012	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
<u>Equity Shares of ₹ 10/- each</u>				
Balance at the beginning of the year	1,15,21,680	1,152.17	94,51,680	945.17
Issued during the year	20,00,000	200.00	20,70,000	207.00
Balance at the end of the year	<u>1,35,21,680</u>	<u>1,352.17</u>	<u>1,15,21,680</u>	<u>1,152.17</u>
<u>4% Cum. Red. Pref. Shares of ₹ 100/- each</u>				
Balance at the beginning of the year	5,00,000	500.00	5,00,000	500.00
Issued during the year	-	-	-	-
Balance at the end of the year	<u>5,00,000</u>	<u>500.00</u>	<u>5,00,000</u>	<u>500.00</u>

(b) Rights, preference and restrictions attached to Shares

Equity Shares

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

NOTES TO FINANCIAL STATEMENTS

Preference Shares

The Company has one class of Preference Share referred to as Preference Shares redeemable at par value of ₹100 each. These shares carry a fixed cumulative dividend of 4% per annum and a preferential right in respect of dividend or capital over Equity Shareholders. The Preference Shares are redeemable at par on or before 31/03/2017. In view of arrear of dividend, preference shareholders are entitled to vote on every resolution placed before the Company.

(c) Shareholders holding more than 5% of Share Capital.

(i) Equity Shares of ₹ 10/- each	As at March 31,2013		As at March 31,2012	
	No. of Shares	(%)	No. of Shares	(%)
M/s. Bishwnath Industries Ltd.	20,47,300	15.14	20,47,300	17.77
Mr. Vijay Kumar Gupta	20,00,000	14.79	-	-
M/s. Bishwanath Traders & Investments Ltd.	16,71,080	12.36	16,71,080	14.50
M/s. Govinda Power & Products Pvt. Ltd.	14,00,000	10.35	14,00,000	12.15
M/s. WPS PTE Ltd.	12,00,000	8.87	12,00,000	10.42
M/s. SKCS Finvest Pvt. Ltd.	10,14,850	7.51	9,95,250	8.64
Mr. Birender Kumar Pasari	9,10,000	6.73	9,10,000	7.90
M/s. Gopala Sales Pvt. Ltd.	7,50,000	5.55	7,50,000	6.51
M/s. Bijay Paper Traders & Investments. Ltd.	7,47,100	5.53	7,47,100	6.48
M/s. Global Manufacturers & Products Pvt. Ltd.	*	*	6,60,000	5.73

* As at 31st March, 2013, shareholding is below 5%.

(ii) 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	As at March 31,2013		As at March 31,2012	
	No. of Shares	(%)	No. of Shares	(%)
Bank of India	2,50,000	50.00	2,50,000	50.00
Dena Bank	1,40,600	28.12	1,40,600	28.12
Andhra Bank	31,250	6.25	31,250	6.25
The Catholic Sryian Bank Limited	78,150	15.63	78,150	15.63

(₹ in lacs)

2.2) RESERVES AND SURPLUS

	As at March 31,2013	As at March 31,2012
(a) <u>Capital Reserve</u>		
Balance as at the beginning of the year	25.33	25.33
(b) <u>Securities Premium Account</u>		
Balance as at the beginning of the year	556.49	432.29
Add: Received on further issue during the year	9.00	124.20
Balance as at the end of the year	<u>565.49</u>	<u>556.49</u>
(c) <u>Surplus in Statement of Profit & Loss</u>		
Balance as at the beginning of the year	(2,175.57)	(2,218.79)
Add: Profit/(Loss) for the year	(767.26)	43.22
Balance as at the end of the year	<u>(2,942.83)</u>	<u>(2,175.57)</u>
	<u>(2,352.01)</u>	<u>(1,593.75)</u>



NOTES TO FINANCIAL STATEMENTS

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.3) LONG TERM BORROWINGS		
<u>Secured</u>		
Term Loan from Banks	1,864.54	2,390.75
<u>Unsecured</u>		
Loans & Advances from Related Parties (Note no 2.42)	578.64	708.64
Loans & Advances from other Bodies Corporate	50.00	130.00
	<u>2,493.18</u>	<u>3,229.39</u>

Details of Security, Terms of Repayment & Rate of Interest for Secured Loans:

- Term Loans from Banks, under Consortium arrangement having Bank of India as Lead Bank, are secured by first pari-passu charge on all movable and immovable property (other than Current Assets) of Kotputli unit both present and future, second charge on the Current Assets of the Company, collaterally secured by block assets of Bahadurgarh Unit and by personal guarantee of three Directors of the Company.
- Term Loans are also collaterally secured by pledge of 48,20,400 (P.Y. 48,20,400) Equity Shares held by the Promoter and promoter group.
- Term Loan from Banks are repayable in half yearly installments. Year-wise summary is as under:

	2014-15	2015-16	2016-17
Installment (₹ in lacs)	537.84	685.46	641.24

- Rate of Interest on Funded Interest Term Loan (FITL) is fixed @ 10% for 2011-12, 11% for 2012-13 & 12% for 2013-14 to 2016-17. Rate of Interest on other Term Loans is based on 1.25% above Base Rate of Lead Bank i.e. Bank of India except new Term Loan where rate of interest is 2.25% above Base Rate of Lead Bank. The applicable rate of interest was 11.50 % p.a. on all existing term loans & 12.50 % p.a. on new term loan as on 31.03.13.

Terms of Repayment & Rate of Interest for Un-secured Loans:
(For loans & advances from related parties & other bodies corporate)

- Unsecured Loans are repayable on March 31, 2017. However, the Company has the option to repay these loans by giving prior notice of 30 days.
- Rate of interest on Unsecured Loans varies between 6.50% to 12.00% payable at simple rate.

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.4) OTHER LONG TERM LIABILITIES		
Deposits from Dealers & Contractors	148.29	142.63
Creditors for capital goods	44.95	39.22
Interest accrued but not due	120.51	84.90
	<u>313.75</u>	<u>266.75</u>
2.5) LONG TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	139.14	119.80
Leave encashment	35.69	28.27
	<u>174.83</u>	<u>148.07</u>

NOTES TO FINANCIAL STATEMENTS

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.6) SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	3,132.60	2,574.39
	<u>3,132.60</u>	<u>2,574.39</u>

Details of Security & Rate of Interest:

- a) Cash Credit facilities from Banks under consortium arrangement having Bank of India as Lead Bank, are secured by first pari - passu charge on the stock and receivables and all other current assets of the Company, collaterally secured by second pari - passu charge on the entire movable and immovable assets of the Company both present and future and personal guarantee of three Directors of the Company.
- b) Cash Credit facilities are also collaterally secured by pledge of 48,20,400 (P.Y. 48,20,400) Equity Shares held by Promoter and promoter group.
- c) Rate of Interest is based on 1.25% above Base Rate of Lead Bank i.e. Bank of India. The applicable rate of interest was 11.50% p.a. as on 31.03.13.

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.7) TRADE PAYABLES		
a) Micro, Small and Medium Enterprises (refer note no. 2.39)	-	-
b) Others (including creditors for goods in transit)	1,163.48	1,515.82
	<u>1,163.48</u>	<u>1,515.82</u>
2.8) OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	739.86	898.77
Interest Accrued and Due on Borrowings	46.78	43.70
<u>Other Payables</u>		
Due to Employees	124.63	90.31
Advance from Customers	58.62	46.28
Statutory Dues	43.57	60.36
Creditors for capital goods	31.04	54.95
Expenses payable	118.48	67.93
	<u>1,162.98</u>	<u>1,262.30</u>
2.9) SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	12.16	15.51
Leave encashment	10.04	8.17
Provision for Wealth Tax	0.09	-
	<u>22.29</u>	<u>23.68</u>



NOTES TO FINANCIAL STATEMENTS

2.10) FIXED ASSETS

Tangible Assets

(₹ in lacs)

Particulars	GROSS BLOCK			DEPRECIATION/ AMORTIZATION				NET BLOCK		
	As at April 1, 2012	Additions	Disposal	As at March 31,2013	As at April 1, 2012	For the Year	Deductions/ Adjustments	As at March 31,2013	As at March 31,2013	As at March 31,2012
Land										
Free Hold	114.09	-	-	114.09	-	-	-	-	114.09	114.09
Lease Hold	174.94	-	-	174.94	17.55	1.77	-	19.32	155.62	157.39
Buildings	1,320.40	-	-	1,320.40	425.45	43.16	-	468.61	851.79	894.95
Plant & Equipments	6,345.29	175.85	-	6,521.14	3,888.64	499.25	-	4,387.89	2,133.25	2,456.65
Furniture and Fixtures	21.40	0.14	-	21.54	16.99	0.64	-	17.63	3.91	4.41
Vehicles	38.99	34.63	16.34	57.28	20.51	5.01	8.67	16.85	40.43	18.48
Office Equipments	30.24	2.45	-	32.69	17.15	1.22	-	18.37	14.32	13.09
Computers	56.80	4.38	-	61.18	39.75	3.61	-	43.36	17.82	17.05
Total	8,102.15	217.45	16.34	8,303.26	4,426.04	554.66	8.67	4,972.03	3,331.23	3,676.11
Previous Year	7,843.82	269.20	10.87	8,102.15	3,886.23	546.80	6.99	4,426.04	3,676.11	-

(₹ in lacs)

As at
March 31,2013

As at
March 31,2012

2.11) NON-CURRENT INVESTMENTS

Other than trade Investments (At cost)

Quoted (Fully Paid up)

(a) 300 (P.Y. 300) Equity Shares of ₹10/- each of Sarda Papers Ltd.

0.02

0.02

(b) 300 (P.Y. 300) Equity Shares of ₹10/- each of Soma Papers Ltd.

-

-

Un-quoted

21,000 (P.Y. 21,000) Equity shares of ₹ 10/- each fully paid of Bishwanath Industries Ltd.

1.20

1.20

1.22

1.22

Aggregate amount of quoted investments ₹ 0.02 lacs (P.Y. ₹ 0.02 lacs)

Aggregate market value of quoted investments ₹ 0.06 lacs (P.Y. ₹ 0.04 lacs)

Aggregate amount of un-quoted investments ₹ 1.22 lacs (P.Y. ₹ 1.22 lacs)

2.12) DEFERRED TAX ASSETS (NET)

Deferred Tax Assets

Unabsorbed depreciation/business loss

257.80

935.32

Deferred Tax Liabilities

Tax impact of differential depreciation

(257.80)

(308.84)

-

626.48

During the year, the Company has recognised deferred tax assets only to the extent of deferred tax liability. In view of prudent accounting principle, deferred tax assets to the tune of ₹ 626.48 lacs have been reversed.

2.13) LONG TERM LOANS AND ADVANCES

(Unsecured Considered Good)

Capital Advances

2.31

4.44

Security Deposits

161.06

134.42

Other Loans & Advances

5.82

5.82

Advance Income-Tax

169.19

144.68

NOTES TO FINANCIAL STATEMENTS

	<u>As at</u> <u>March 31,2013</u>	<u>(₹ in lacs)</u> <u>As at</u> <u>March 31,2012</u>
2.14) OTHER NON-CURRENT ASSETS		
<u>Other Bank Balances</u>		
Fixed Deposit with Banks (Maturing after 12 months)		
Pledged with Banks as margin	-	25.20
Others	<u>14.32</u>	<u>-</u>
	<u>14.32</u>	<u>25.20</u>
2.15) INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw Materials*	1,105.67	1,257.27
Work in Progress	83.24	104.64
Finished Goods	474.47	402.30
Stock in Trade/Trading Goods	0.02	0.02
Stores and Spares	<u>300.50</u>	<u>267.66</u>
	<u>1,963.90</u>	<u>2,031.89</u>
*includes goods in transit of ₹ 84.80 lacs (P.Y. ₹ 126.08 lacs)		
2.16) TRADE RECEIVABLES		
Unsecured		
<u>Outstanding for a period exceeding six months from due date</u>		
Considered Good	131.56	109.56
Considered Doubtful	18.35	14.30
Less: Provision for Doubtful Debts	<u>18.35</u>	<u>14.30</u>
	131.56	109.56
<u>Others</u>		
Considered Good	<u>1,459.43</u>	<u>1,729.32</u>
	<u>1,590.99</u>	<u>1,838.88</u>
2.17) CASH AND BANK BALANCES		
<u>Cash & Cash Equivalents</u>		
Balances with Banks		
In Current Accounts	129.60	129.78
In Fixed Deposits (Maturing within 3 months)	50.00	-
Cheques on Hand	2.27	1.25
Cash on Hand	<u>5.25</u>	<u>4.35</u>
	<u>187.12</u>	<u>135.38</u>
<u>Other Bank Balances</u>		
Fixed Deposit with Banks* (Maturing within 12 months)		
Pledged with Banks as margin	23.48	31.29
Others	<u>39.75</u>	<u>27.00</u>
	<u>63.23</u>	<u>58.29</u>
* includes ₹13.43 lacs (P.Y. ₹22.25 Lacs) having an original maturity of more than 12 months	<u>250.35</u>	<u>193.67</u>



NOTES TO FINANCIAL STATEMENTS

	As at March 31,2013	(₹ in lacs) As at March 31,2012
2.18) SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Advance to Suppliers	64.08	44.64
Employees' Advances	4.59	6.92
Amount Recoverable from Excise & Custom Authorities	411.20	391.63
VAT/Sales Tax Receivables	16.36	31.02
Prepaid Expenses	26.21	29.48
Advance Income Tax (Net of Provision)	8.49	8.38
Earnest Money Deposits	0.10	7.36
	<u>531.03</u>	<u>519.43</u>
2.19) OTHER CURRENT ASSETS		
Interest Receivable	11.47	8.60
Claims Recoverable	3.77	10.34
	<u>15.24</u>	<u>18.94</u>
	<u>Year Ended March 31,2013</u>	<u>Year Ended March 31,2012</u>
2.20) REVENUE FROM OPERATIONS		
<u>Sale of Products</u> (including export sales)		
Coated Paper	3,183.09	3,753.84
Thermal Sensitive Paper	2,087.84	1,716.93
News Print Paper	9,129.52	8,471.54
Others	611.17	1,080.68
	<u>15,011.62</u>	<u>15,022.99</u>
<u>Other Operative Revenue</u>		
Scrap Sale	44.53	38.88
Duty Drawback	0.31	0.16
	<u>44.84</u>	<u>39.04</u>
2.21) OTHER INCOME		
<u>Interest Income</u>		
From Fixed Deposit with Banks	7.98	7.97
From Security Deposits	12.32	7.45
From Customers	5.31	7.62
From Others	0.13	0.09
	<u>25.74</u>	<u>23.13</u>
Sales Tax Subsidy	8.68	15.29
Provision for Doubtful debts W/back	-	4.44
<u>Other Non-Operating Income</u>		
Misc. Income	3.13	1.44
	<u>37.55</u>	<u>44.30</u>
2.22) MATERIALS CONSUMED		
<u>Raw Materials</u>		
Base Paper	3,075.96	3,325.61
Waste Paper	4,968.25	4,975.93
Chemicals	1,276.16	1,252.62
(Refer note no. 2.29 of Notes to financial statements)		
	<u>9,320.37</u>	<u>9,554.16</u>

NOTES TO FINANCIAL STATEMENTS

	Year Ended March 31,2013	(₹ in lacs) Year Ended March 31,2012
2.23) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
(Refer note no. 2.30 & 2.31 of Notes to financial statements)		
Opening Stock		
Finished Goods	402.30	370.73
Work in Progress	104.64	90.26
Stock in Trade / Trading Goods	<u>0.02</u>	<u>0.02</u>
	<u>506.96</u>	<u>461.01</u>
Closing Stock		
Finished Goods	474.47	402.30
Work in Progress	83.24	104.64
Stock in Trade / Trading Goods	<u>0.02</u>	<u>0.02</u>
	<u>557.73</u>	<u>506.96</u>
	<u>(50.77)</u>	<u>(45.95)</u>
2.24) EMPLOYEE BENEFITS EXPENSE		
Salary, Wages & Bonus	740.90	626.05
Contribution to Provident Fund and Others	56.36	67.63
Staff Welfare Expenses	<u>45.05</u>	<u>38.40</u>
	<u>842.31</u>	<u>732.08</u>
2.25) FINANCE COST		
Interest Expenses	754.01	776.15
Other Borrowing Cost	<u>38.41</u>	<u>21.99</u>
	<u>792.42</u>	<u>798.14</u>
2.26) OTHER EXPENSES		
Stores and Spares Consumed	220.57	115.23
Power & Fuel	2,374.61	2,189.30
Rent	0.06	1.32
Repairs:		
Building	11.43	6.56
Plant & Machineries	99.08	49.30
Others	3.10	1.29
Insurance	13.95	13.18
Rates and Taxes	10.80	4.84
Exchange rate fluctuations	4.75	13.43
Packing Materials	153.88	143.23
Cost Audit Fees	0.65	0.44
Auditor's Remuneration		
For Audit Fees	0.60	0.44
For Tax Audit Fees	0.17	0.14
For Other Services	0.09	0.26
Out of pocket expenses	0.05	0.02
Prior Period Adjustments	7.29	2.02
Travelling, Conveyance & Vehicle expenses	84.84	86.43
Forwarding & Delivery Charges	22.67	43.55
Postage, Telephones, Printing and Stationery	32.22	35.75
Contract charges for services	216.74	196.24
Legal & Professional Charges	22.57	10.77
Miscellaneous Expenses	48.99	41.89
Provision for Doubtful Debts	4.04	-
Cash Discount	36.64	40.45
Brokerage & Commission	121.71	151.84
Loss on Sale of Fixed Assets	3.82	2.97
Excise Duty on stock (Net)	<u>1.61</u>	<u>4.12</u>
	<u>3,496.93</u>	<u>3,155.01</u>



NOTES TO FINANCIAL STATEMENTS

	Year Ended March 31,2013	(₹ in lacs) Year Ended March 31,2012
2.27) EXCEPTIONAL ITEMS		
Disallowance of Cenvat Credit	-	94.09
	-	94.09
2.28) EARNING PER SHARE		
Profit/(Loss) after Tax	(767.26)	43.22
Less:- Preference Dividend including Dividend Distribution Tax	(23.40)	(23.24)
Profit/(Loss) attributable to Equity Shareholders	(790.66)	19.98
Weighted average number of Equity Shares	12,381,954	9,892,828
Basic and Diluted Earnings per Share (₹)*	(6.39)	0.20
Nominal Value of an Equity Share (₹)	10.00	10.00

*The Company does not have any potential outstanding diluted equity shares.

2.29) DETAILS OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

(₹ in lacs)

Items	2012-2013		2011-2012	
	Amount	%	Amount	%
<u>Raw Materials</u>				
Indigenous	8,740.69	93.78	8,581.77	89.82
Imported	579.68	6.22	972.39	10.18
	9,320.37	100.00	9,554.16	100.00
<u>Stores & Spares</u>				
Indigenous	178.52	80.93	85.31	74.03
Imported	42.05	19.07	29.92	25.97
	220.57	100.00	115.23	100.00

2.30) DETAILS OF MANUFACTURED GOODS & TRADED GOODS

(₹ in lacs)

Particulars	Op. Stock	Sales	Cl. Stock
<u>Manufactured Goods</u>			
Coated Paper	166.60 (124.27)	3,183.09 (3753.84)	223.14 (166.60)
Thermal Sensitive Paper	36.24 (42.29)	2,087.84 (1,716.93)	45.00 (36.24)
News Print Paper	50.92 (114.48)	9,129.52 (8,471.54)	65.23 (50.92)
Other Paper	148.54 (89.69)	611.17 (1,080.68)	141.10 (148.54)
TOTAL	402.30 (370.73)	15,011.62 (15,022.99)	474.47 (402.30)
<u>Traded Goods</u>			
Paper	0.02 (0.02)	- -	0.02 (0.02)

Note : Figures in brackets represent previous year figures

NOTES TO FINANCIAL STATEMENTS

2.31) DETAIL OF CLOSING STOCK OF WORK IN PROGRESS

(₹ in lacs)

Particulars	2012-2013	2011-2012
<u>Breakup of Work in Progress</u>		
Coated Paper	30.70	48.74
Thermal Sensitive Paper	36.68	35.37
News Print Paper	15.86	20.35
Other Paper	-	0.18
Total	83.24	104.64

2.32) VALUE OF IMPORTS ON CIF BASIS

(₹ in lacs)

Particulars	2012-2013	2011-2012
<u>CIF Value of Imports:</u>		
a. Raw Materials	528.40	914.40
b. Stores & Spare parts	30.52	25.35
c. Capital Goods	1.91	21.15

2.33) EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE

(₹ in lacs)

Particulars	2012-2013	2011-2012
a) <u>Expenses incurred in Foreign Currency on account of:</u>		
Foreign Travel	-	2.71
b) <u>Earning in Foreign Currency on account of:</u>		
F.O.B. value of Exports	15.55	15.74

2.34) CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in lacs)

Particulars	2012-13	2011-12
(a) (i) Central Excise duty and Service Tax matters	3,862.23	3,705.95
(ii) Custom Duty matters	249.97	249.97
(iii) Water Cess	5.08	4.92
(iv) Sales Tax matters	234.86	213.83
(b) Arrear of Dividend on 4% Cumulative Redeemable Preference Share (including dividend distribution tax)	77.51	53.80
(c) Capital Commitments	14.34	36.38

2.35) EMPLOYEE BENEFITS

a) *Post Retirement Benefits : Defined Contribution Plans*

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

(₹ in lacs)

Sl. No.	Particulars	2012-2013	2011-2012
1	Contribution to Employee's Provident Fund	13.85	18.35
2	Contribution to Employee's Family Pension Fund	20.10	16.62
	Total	33.95	34.97



NOTES TO FINANCIAL STATEMENTS

b) Defined Benefit Plans

(₹ in lacs)

		Gratuity (Funded)		Leave Encashment (Unfunded)	
		2012-2013	2011-2012	2012-2013	2011-2012
i.	Changes in the Present Value of Obligation				
a.	Present value of Obligation at the beginning of the year.	149.42	121.26	36.44	32.51
b.	Interest Cost	12.85	9.70	3.13	2.60
c.	Past Service Cost	NIL	NIL	NIL	NIL
d.	Current Service Cost	17.45	16.42	11.94	9.50
e.	Curtailement Cost / (Credit)	NIL	NIL	NIL	NIL
f.	Settlement Cost / (Credit)	NIL	NIL	NIL	NIL
g.	Benefits Paid	(6.11)	(5.63)	(7.40)	(10.98)
h.	Actuarial (Gain)/Loss	(6.85)	7.67	1.62	2.81
i.	Present value of obligation at the end of the year.	166.76	149.42	45.73	36.44
ii.	Changes in the Fair Value of Plan Assets				
a.	Present value of Plan Assets at the beginning of the year	14.11	13.01	NIL	NIL
b.	Expected Return on Plan Assets	1.04	1.13	NIL	NIL
c.	Actuarial Gain/(Loss)	NIL	NIL	NIL	NIL
d.	Employer's Contributions	5.85	5.60	NIL	NIL
e.	Employee's Contributions	NIL	NIL	NIL	NIL
f.	Benefits paid	(5.54)	(5.63)	NIL	NIL
g.	Fair Value of Plan Assets at the end of the year	15.46	14.11	NIL	NIL
iii.	Amount recognised in the Balance Sheet and reconciliation of the Present Value of obligation and the Fair value of Assets				
a.	Present Value of Obligation at the end of the year	166.76	149.42	45.73	36.44
b.	Fair Value of Plan Assets at the end of the year	15.46	14.11	NIL	NIL
c.	Net (Asset)/Liability recognised in the Balance Sheet	151.30	135.31	45.73	36.44
iv.	Expenses recognised in the Statement of Profit & Loss				
a.	Current Service Cost	17.45	16.42	11.94	9.50
b.	Past Service Cost	NIL	NIL	NIL	NIL
c.	Interest Cost	12.85	9.70	3.13	2.60
d.	Expected Return on Plan Assets	(1.04)	(1.13)	NIL	NIL
e.	Curtailement Cost / (Credit)	NIL	NIL	NIL	NIL
f.	Settlement Cost / (Credit)	NIL	NIL	NIL	NIL
g.	Net Actuarial (Gain) / Loss	(6.85)	7.67	1.62	2.81
h.	Employee's Contribution	NIL	NIL	NIL	NIL
i.	Total Expenses recognised in the Statement of Profit & Loss	22.41	32.66	16.69	14.91

NOTES TO FINANCIAL STATEMENTS

v.	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at end of the year.	%	%	%	%
a.	Government of India Securities	NIL	NIL	NIL	NIL
b.	Corporate Bonds	NIL	NIL	NIL	NIL
c.	Special Deposits Scheme	NIL	NIL	NIL	NIL
d.	Equity Shares of Listed Companies	NIL	NIL	NIL	NIL
e.	Property	NIL	NIL	NIL	NIL
f.	Insurer Managed Funds	100	100	NIL	NIL
g.	Others	NIL	NIL	NIL	NIL
vi	Actuarial Assumption	%	%	%	%
a.	Interest Rate	9.00	9.00	NIL	NIL
b.	Discount Rate	8.00	8.60	8.00	8.60
c.	Expected Rate of Return on Plan Assets	9.00	9.00	NIL	NIL
d.	Salary Escalation Rate	10.00	10.00	10.00	10.00
e.	Retirement Age (Years)	58.00	58.00	58.00	58.00

2.36 DISCLOSURE OF LOANS/ADVANCES AND INVESTMENT IN ITS OWN SHARES BY THE LISTED COMPANIES, THEIR SUBSIDIARIES ETC (as certified by the management)

(₹ in lacs)

SL No	Particulars	Outstanding Balance as on March 31, 2013	Maximum Balance outstanding during the year
1	Loans and advances in the nature of loans to subsidiaries	-(-)	-(-)
2	Loans and advances in the nature of loans to associates	-(-)	-(-)
3	Loans and advances in the nature of loan where there is		
	a) No repayment schedule or repayments beyond seven year b) No Interest or interest below Section 372 A of the Companies Act,1956	-(-)	-(-)
4	Loans and advance in the nature of loans to firms/ companies in which directors are interested	-(-)	-(-)
5	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-(-)	-(-)
Note : Figures in brackets represent previous year figures			



NOTES TO FINANCIAL STATEMENTS

2.37 DISCLOSURE OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	2012-2013	2011-2012
Trade Payable on account of purchase of goods		
Amount outstanding in USD (\$)	22,778.80	220,233.05
Amount outstanding in Indian Rupee (₹ in lacs)	12.39	112.30

- 2.38) The accumulated losses of the Company have fully eroded the net worth of the Company. However, the Company has been actively implementing various measures such as increasing the production, optimising resources utilisation, improving operational efficiencies and other cost control measures to improve the Company's operating results and cash flows. With the improvement in business conditions, the Company expects to perform better in the future. The Company believes that these measures will result in substantial cash flows. Accordingly, Company's financial statements have been prepared on a going concern basis. In the opinion of the Board, going concern assumption is appropriate for preparation and presentation of financial statements.
- 2.39) Based on the information available with the management regarding status of suppliers under Micro, Small & Medium enterprises development Act, 2006, there is no due to the supplier as on 31st March, 2013. Further, there is no interest paid/ payable to the suppliers.
- 2.40) The debit / credit balances of Trade Payables, Trade Receivables and Short / Long Term Loans & Advances are subject to reconciliation /confirmation, although confirmations have been sent after the close of the year. In the opinion of the management, there shall be no material impact on the financial statements of any adjustments, if any, arising on such confirmation /reconciliation.
- 2.41) The Company's current business activity has only one primary reportable segment viz. Paper. Hence, "Segment Reporting", under AS-17 is not applicable. The Secondary segment is also not relevant as exports sale is insignificant.

NOTES TO FINANCIAL STATEMENTS

2.42) RELATED PARTY DISCLOSURES

As per Accounting Standard 18, all related parties have been identified by the management and relied upon by the auditors. There are no related parties where control exists.

- i) Key Management Personnel:
Mr. N.K. Pasari- Managing Director
- ii) Enterprise where Key Management Personnel/Relative of Key Managerial Personnel has significant influence:
Laxmi Traders Amer Hotels Ltd.
Gopala sales Pvt. Ltd. Bishwanath Industries Ltd.
Bishwanath Traders & Investments Ltd. Govinda Power & Products Pvt. Ltd.
- iii) Details of transactions with the related parties.

(₹ in lacs)

Nature of transactions	2012-2013		2011-2012	
	Referred in (i) above	Referred in (ii) above	Referred in (i) above	Referred in (ii) above
Expenses :				
<i>Employee Benefit Expenses</i>				
Mr. N.K. Pasari	5.86	-	1.14	-
<i>Rent</i>				
Laxmi Traders	-	-	-	0.54
Amer Hotels Ltd.	-	-	-	0.72
<i>Interest</i>				
Bishwanath Industries Ltd.	-	33.06	-	33.06
Bishwanath Traders & Investments Ltd.	-	3.25	-	3.25
Gopala Sales Pvt. Ltd.	-	7.32	-	14.32
<i>Purchase</i>				
Gopala Sales Pvt. Ltd.	-	2.17	-	-
<i>Commission:-</i>				
Govinda Power & Products Pvt. Ltd.	-	-	-	0.59
Income:-				
<i>Rent Received</i>				
Gopala Sales Pvt. Ltd.	-	1.08	-	-
Govinda Power & Products Pvt. Ltd.	-	0.48	-	0.34
<i>Sales</i>				
Gopala Sales Pvt. Ltd.	-	2.78	-	-
Govinda Power & Products Pvt. Ltd.	-	0.68	-	0.19



NOTES TO FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURES (Contd.)

(₹ in lacs)

Nature of transactions	2012-2013		2011-2012	
	Referred in (i) above	Referred in (ii) above	Referred in (i) above	Referred in (ii) above
Long Term Borrowings				
Gopala Sales Pvt. Ltd.				
Loan taken	-	55.20	-	166.00
Loan repaid	-	185.20	-	116.00
Issue of Equity Shares (Incl. Securities Premium)				
Gopala Sales Pvt. Ltd.	-	-	-	120.00
Closing Balances				
<i>Trade and Other Receivables</i>				
Gopala Sales Pvt. Ltd.	-	1.67	-	-
Govinda Power & Products Pvt. Ltd.	-	0.48	-	0.53
<i>Long Term Borrowings</i>				
Bishwanath Traders & Investments Ltd.	-	50.00	-	50.00
Bishwanath Industries Ltd.	-	508.64	-	508.64
Gopala Sales Pvt. Ltd.	-	20.00	-	150.00
<i>Interest Accrued but not Due</i>				
Bishwanath Traders & Investments Ltd.	-	8.77	-	5.85
Bishwanath Industries Ltd.	-	89.20	-	59.45
<i>Interest Accrued and Due</i>				
Gopala Sales Pvt. Ltd.	-	0.01	-	7.52
<i>Other Payable</i>				
Mr. N.K. Pasari	0.55	-	0.38	-
Laxmi Traders	-	1.08	-	1.08
Amer Hotels Ltd.	-	0.15	-	0.15
Bishwanath Traders & Investments Ltd.	-	1.63	-	1.63

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



Shree Krishna Paper Mills & Industries Limited

Registered Office: 16, India Exchange Place, Kolkata 700 001

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL. Joint shareholder may obtain additional slip on request.

D. P. ID*		Folio No.	
Client ID*		No. of Share/(s) held	
NAME OF SHAREHOLDER		NAME OF THE PROXY	

I hereby record my presence at 41st ANNUAL GENERAL MEETING of the Company held on Friday 27th September, 2013 at 10.00 A.M. at MCC Chamber of Commerce & Industry, 15-B Hemanta Basu Sarani, Kolkata- 700001.

SIGNATURE OF THE MEMBER / PROXY

*Applicable for Members holding shares in electronic form.

.....TEAR HERE.....

TEAR HERE.....



Shree Krishna Paper Mills & Industries Limited

Registered Office: 16, India Exchange Place, Kolkata 700 001

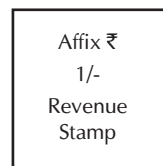
PROXY FORM

D. P. ID*		Folio No.	
Client ID*		No. of Share/(s) held	

I/We of being a member/ members of the above Company hereby appoint of or failing him..... of as my /our proxy to attend and vote for me /us and on my/our behalf at the 41st ANNUAL GENERAL MEETING of the Company to be held on Friday 27th September, 2013 or at any adjournment thereof at MCC Chamber of Commerce & Industry, 15-B Hemanta Basu Sarani, Kolkata-700001.

Signed this day of2013

*Applicable for Members holding shares in electronic form.



(Signature)

NOTE: The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the registered Office of the Company not less than FORTY EIGHT HOURS before the time of holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK - POST



**Shree Krishna Paper Mills
& Industries Limited**

(An ISO 9001 : 2008 Certified Company)

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