



**Annual Report
2015-2016**



**Shree Krishna Paper Mills
& Industries Limited**



BOARD OF DIRECTORS

Mr. N. K. Pasari (Managing Director)
Mr. B. N. Pasari
Mr. L. C. Sharma
Mr. P. N. Singh
Mr. L. C. Parashar
Ms. Tripta Goswami

CHIEF FINANCIAL OFFICER

Mr. S. K. Agarwal

COMPANY SECRETARY

Ms. Sonam Katyal

AUDITORS

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

COST AUDITORS

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

SECRETARIAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

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

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NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Thursday, September 29, 2016 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Tripta Goswami (DIN: 07111342), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and in this regard, to consider and if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the appointment of M/s. Radheshyam Sharma & Co. (Firm Registration No. 016172N), Chartered Accountants as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting, be and is hereby ratified by the members of the Company at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. **To re-appoint Mr. N. K. Pasari as Managing Director and fix his remuneration and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s), enactment(s) or re-enactments(s) thereof for the time being in force) and subject to such approvals, as may be required, consent of the members be and is hereby accorded to the re-appointment of Mr. N. K. Pasari (DIN: 00101426) as the Managing Director of the Company for a period of three years effective from January 1, 2017 till December 31, 2019, upon the terms and conditions and at such remuneration as recommended by the Nomination and Remuneration Committee, details of which are given hereunder:-

- a) **Tenure:** Three years commencing from January 1, 2017 to December 31, 2019.

b) Remuneration:

- i. Salary: ₹ 75,000/- per month with an annual increment of such amount per month as per discretion of the Board or any committee thereof.
- ii. HRA: @50% of the salary per month
- iii. Perquisites & other benefits: It shall include medical expenses reimbursement for self and family, leave travel concession for self and family, club fee and personal accident insurance, education expenses, leave encashment, provident fund, gratuity, car, telephone and bonus etc. as per Company's policy as may be amended from time to time.

c) **Power of Management:** Mr. N. K. Pasari shall be entrusted with the substantial powers of management subject to the supervision and control of the Board of Directors of the Company. Considering his rich experience and keeping in view of the valuable service and significant contributions to the Company, the Board is of the opinion that the Company shall be benefitted by his re-appointment on the Board.

d) **Minimum Remuneration:** The remuneration payable to Mr. N. K. Pasari is subject to overall ceiling under Section II of Part II of Schedule V to the Act. Notwithstanding anything contained hereinabove, in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will pay remuneration by way of salary, allowances and perquisites as specified above as minimum remuneration.

e) **Termination:** The appointment may be terminated by giving not less than 30 days prior notice in writing in that behalf to the other party or 30 days salary in lieu thereof.

f) **Other terms and conditions:** Other terms of appointment with Mr. N. K. Pasari are such as are customarily contained in appointments of a similar nature.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary and modify the said terms of appointment and/or remuneration payable to him, including the monetary value thereof, within such prescribed limit(s) or ceilings specified in the Act read with Schedule V thereto without any further reference to the members of the Company in General Meeting.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental



thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to M/s. Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No.: 00180) who have been appointed by the Board of Directors of the Company for conducting the audit of cost records of the Company for the financial year ending March 31, 2017.

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

6. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

“RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, the consent of the members be and is hereby accorded to charge from a member in advance, an amount of ₹ 100/- (Rupees One Hundred only) per document over and above the estimated actual expenses in connection with providing such documents pursuant to any request made by such member for delivery of such document to him through a particular mode of services provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid,

including determination of the estimated fees for delivery of the document to be paid in advance.”

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

Sonam Katyal
Company Secretary
Membership No. 33550

Place: New Delhi
Date: July 20, 2016

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy who shall not act as Proxy for any other member. A proxy form is annexed to this report.

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

3. Corporate Members intending to send their authorized representatives to attend and vote at the meeting are requested to send a duly certified copy of Board Resolution.
4. **Members, Proxies and Authorized representatives are requested to bring the attendance slips along with their copy of annual report to the meeting.**
5. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2016 to September 29, 2016 (both days inclusive) in connection with the Annual General Meeting.



7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP) with whom they maintain their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Company/Registrar & Share Transfer Agent quoting their folio number and changed details.
8. Members can avail of the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed form duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
9. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent/the Company.
11. Members holding Share Certificates under different folio numbers but in the same order of names are requested to apply for consolidation of such folios and send relevant Share Certificates to the Registrar and Transfer Agent of the Company.
12. Electronic copy of the Annual Report 2015-16 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015-16 are being sent in the permitted mode.
13. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report 2015-16 will also be available on the Company's website www.skpmil.com for download. The documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by members at the Registered Office of the Company during business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m., up to the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may send request to the Company's investor email: cs@skpmil.com.
14. A route map showing directions to reach the venue of the 44th Annual General Meeting is given at the end of the notice as per the requirement of the Secretarial Standards – 2 on "General Meetings".
15. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and sub clause (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be passed at the 44th Annual General Meeting (AGM) by electronic means. For this purpose, the Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The instructions for electronic voting are given below. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('Remote e-voting').

The instructions for shareholders voting electronically are as under:

 - (i) The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. September 22, 2016.
 - (ii) The voting period begins on September 26, 2016 (9.00 a.m.) and ends on September 28, 2016 (5.00 p.m.). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (v) Click on "Shareholders" tab.
 - (vi) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on attendance slip for e-voting indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (vi).

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant “SHREE KRISHNA PAPER MILLS & INDUSTRIES LIMITED” on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on

- “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xix) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote by using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 22, 2016 may follow the same instructions as mentioned above for e-Voting.
- (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- i. The facility for voting through polling paper shall be made available at the Meeting and the members attending the

Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.

- ii. The Company has appointed Mr. Manish Kumar Bansal (Advocate), Partner of Globiz Partners as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - iii. The Scrutinizer shall, within a period of three working days from the date of conclusion of the Annual General Meeting, shall make a consolidated Scrutinizer's Report of e-voting and the votes in the Annual General Meeting and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
 - iv. The Results declared along with the Scrutinizer's Reports shall be placed on the Company's website www.skpmil.com and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall simultaneously be communicated to the Stock Exchange.
- 16. 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.**
- 17. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 and 4 is as follows:**

Particulars	Ms. Tripta Goswami	Mr. N. K. Pasari
DIN	07111342	00101426
Date of Birth	09-10-1983	01-10-1955
Date of Appointment	27-03-2015	11-03-1974
Qualification	MBA in International Trade, Kaizen, School of Business Management, Pune	Commerce Graduate
Experience in specific functional areas	approx. 10 years of rich experience in Imports, Exports, Logistics and Documentation	Rich experience in the paper industry and allied activities
Directorship held in other listed entities	NIL	NIL
Membership/ Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL	NIL
Number of shares held in the Company	NIL	NIL
Relationship with any Director(s) of the Company	NIL	He is the son of Mr. B.N. Pasari, Promoter and Director of the Company

EXPLANATORY STATEMENT

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

Item No.4

The members of the Company had appointed Mr. N. K. Pasari (DIN: 00101426) as the Managing Director of the Company for a period of five years with effect from January 1, 2012. Since the term of his office is going to expire on December 31, 2016, the Board of Directors of the Company at its meeting held on July 20, 2016 has approved the re-appointment of Mr. N. K. Pasari as the Managing Director of the Company for a period of three years with effect from January 1, 2017 subject to the approval of the members at the ensuing Annual General Meeting of the Company on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee. He is not disqualified from being re appointed as director in terms of Section 164 of the Act. Board is of opinion that his re-appointment is properly justified, considering his contribution in the growth of the Company.

The remuneration payable to Mr. N. K. Pasari is subject to overall ceiling under Section II of Part II of Schedule V to the Act. Further, where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. N. K. Pasari, remuneration as specified in the resolution by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment thereof) and subject to the approval of the Central Government, if any required.

For the purpose of calculating the above ceiling, the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

He shall not be entitled to receive any sitting fee for attending the meeting of the Board and any committee thereof and shall not be liable to retire by rotation.

During the Financial Year 2015-16, he attended all the meetings of the Board of Directors. He is not a member on any Committee of the Board.

The documents, if any, referred to in this item are open for inspection at the Registered Office of the Company during the business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting. The above may be treated as an abstract/compliance under section 190 of the Companies Act, 2013.

None of the Directors, except Mr. N. K. Pasari and Mr. B. N. Pasari, or the Key Managerial Person and their



relatives has any nature of concern or interest, financial or otherwise, directly or indirectly in respect of the proposed resolution.

The Board recommends the resolution as a Special Resolution for approval of the members.

Disclosures pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 are as under:

I. General Information:

- (1) Nature of Industry Manufacturing of paper
- (2) Date of commencement of commercial production Third quarter of the calendar year 1974
- (3) In case of new company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus N/A
- (4) Financial performance

(₹ in lacs)

Financial Parameters	Year Ended		
	31.03.2016	31.03.2015	31.03.2014
Total Revenue	12,531.94	14,127.61	15,864.94
Net Profit After Tax as per Profit & Loss Account	245.68	41.07	273.87

- (5) Foreign Investments or collaborations, if any:
WPS PTE. LTD., Singapore and Mr. Vijay Kumar Gupta, NRI have invested in securities of the Company.

II. Information about the Appointee:

- (1) Background details
Mr. N. K. Pasari, aged about 60 years, is the Managing Director of our Company. He has been actively involved in the affairs of the Company and has always administered his valuable service and significant contributions to the Company. He holds directorship in M/s. Devanshu Infin Limited as its Director other than this Company.
- (2) Past remuneration
 - 1. Salary: ₹ 4,20,000/- per annum
 - 2. HRA: ₹ 2,10,000/- per annum
 - 3. Perquisites & other benefits: Besides the above gross salary, Mr. N. K. Pasari was entitled to the perquisites & other benefits which includes medical reimbursement, leave travel concession, leave encashment, gratuity, car, Bonus and telephone etc. as per Company's policy as amended from time to time.
- (3) Recognition or awards
NIL

(4) Job Profile and his suitability

Mr. N. K. Pasari shall be entrusted with the substantial powers of management subject to the supervision and control of the Board of Directors of the Company. Considering his rich experience and keeping in view of the valuable service and significant contributions to the Company, the Board is of the opinion that the Company shall be benefitted by his re-appointment on the Board.

(5) Remuneration proposed

- i. Salary: ₹ 75,000/- per month with an annual increment of such amount per month as per discretion of the Board or any committee thereof.
- ii. HRA @50% of the salary per month
- iii. Perquisites & other benefits: It shall include medical expenses reimbursement for self and family, leave travel concession for self and family, club fee and personal accident insurance, education expenses, leave encashment, provident fund, gratuity, car, telephone and bonus etc. as per Company's policy as may be amended from time to time.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The proposed remuneration is justified in consideration of the responsibilities shouldered by him and it is also commensurate with the nature and size of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. N. K. Pasari has no pecuniary relationship directly or indirectly with the Company other than his remuneration in the capacity of Managing Director. He is the son of Mr. B. N. Pasari, Promoter and Director of the Company.

III. Other Information:

(1) Reasons of loss or inadequate profits

The Coated Paper segment at Bahadurgarh Unit was under pressure due to unhealthy competitions and cheaper imports and hence, the performance has been affected due to lower sales volume and non receipt of expected sales realization in Coated Paper segment.

(2) Steps taken or proposed to be taken for improvement

The Company has discontinued its production facilities at Bahadurgarh Unit to overcome the losses. The Company has also decided to implement effective cost control and product development techniques. The combined results thereof are expected to accrue to the Company and profit margin may improve substantially in the years to come.



(3) Expected increase in productivity and profits in measurable terms

The Company is likely to grow in forthcoming period but this cannot be exactly measured in monetary terms for various factors.

IV. Disclosures:

The information and disclosures of the remuneration package of all the managerial personnel have been mentioned in the Board of Director’s Report under the heading “Corporate Governance.”

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vijender Sharma & Co., Cost Accountants, Delhi to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, at a remuneration of ₹ 75,000/- per annum plus Service Tax at the applicable rates and reimbursement of out of pocket expenses in connection with the audit, subject to ratification by members.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2016-17 as set out in the resolution for the aforesaid services to be rendered by them.

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

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

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

Item No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on July 20, 2016 has proposed that an amount of ₹ 100/-

(Rupees One Hundred only) per document over and above the estimated actual expenses in connection with providing such documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of providing such documents.

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

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

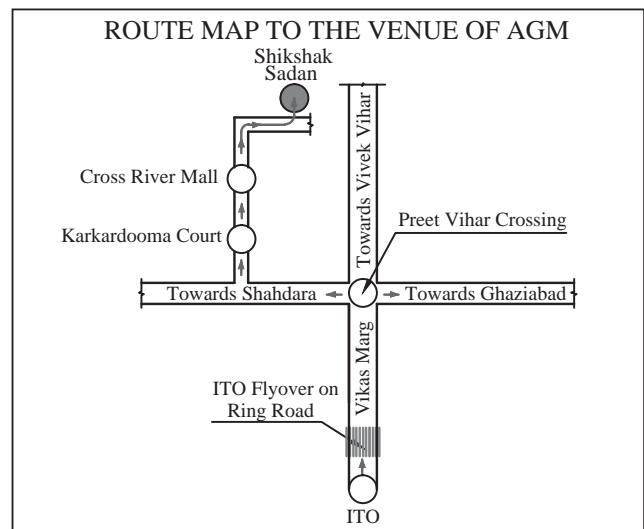
None of the Directors or Key Managerial Personnel or their relatives are interested in this resolution.

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

By order of the Board of Directors

Sonam Katyal
Company Secretary
Membership No. 33550

Place: New Delhi
Date: July 20, 2016



**DIRECTORS' REPORT**

To the Members,

The Directors of your Company are pleased to present the 44th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2016.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2016 is summarised below:

	(₹ in Lacs)	
	2015-16	2014-15
Revenue from Operations (Net)	12,504.82	14,086.10
Profit before Finance Cost and Depreciation	1,070.46	922.10
Finance Costs	485.04	544.97
Depreciation & Amortization Expense	333.92	336.02
Profit before Taxation	251.50	41.11
Less: Tax Expense	5.82	0.04
Profit for the Year	245.68	41.07

During the year under review, the revenue from operations was ₹ 12,504.82 lacs against ₹ 14,086.10 lacs in the last financial year. The Company has earned profit after tax of ₹ 245.68 lacs against ₹ 41.07 lacs in last year. The overall revenue has decreased as the Company has discontinued the production facilities at its Bahadurgarh Unit. Company has taken major initiatives to reduce the production cost like optimising resource utilization and improving operational efficiencies which has resulted into growth in net profit. In light of the initiatives taken by the Company, the Directors are hopeful for better results in the coming years.

The reference filed by the Company with Board for Industrial & Financial Reconstruction based on negative net worth had already been registered by the Board. Now, as on March 31, 2016, the net worth of the Company has become positive and accordingly, necessary reference will be made to the Board.

DIVIDEND

The Directors have decided not to recommend any dividend on equity shares due to unabsorbed depreciation and accumulated losses of earlier years. Because of this reason, 4% dividend aggregating to ₹ 24.07 lacs (Previous Year ₹ 24.00 lacs) including dividend distribution tax, on the outstanding 4% cumulative redeemable preference shares has also been accumulated.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was ₹1352.17 lacs and the paid up Preference Share Capital as on that date was ₹ 500.00 lacs. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme.

LISTING ON STOCK EXCHANGES

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

PUBLIC DEPOSITS

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year, the Company has regularized the appointment of Ms. Tripta Goswami (DIN: 07111342) as a Director at the Annual general Meeting held on September 29, 2015 who was appointed as an Additional Director on March 27, 2015. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Tripta Goswami (DIN: 07111342), Non-Executive Director of the Company retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

Pursuant to the terms of appointment, the office of Mr. N. K. Pasari as Managing Director will expire on December 31, 2016. As recommended by the Nomination and Remuneration Committee, the Board has reappointed Mr. N. K. Pasari as Managing Director (Key Managerial Personnel) to hold office with effect from January 1, 2017 for a period of 3 years and have also revised his remuneration on



the recommendation of the Nomination and Remuneration Committee, subject to the approval of the members. A resolution in this regard is contained in the Notice of the Annual General Meeting.

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

Declaration by Independent Directors

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

Board Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be done by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

Remuneration Policy

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

Meetings

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

Composition of Audit Committee

In terms of Section 177 of the Companies Act, 2013 and erstwhile Clause 49 of the Listing Agreement and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee has been reconstituted comprising of 3 Independent Directors namely, Mr. L. C. Sharma, Mr. P.N. Singh and Mr. L.C. Parashar. Mr. L. C. Sharma has resigned as Chairman of the Audit Committee w.e.f. April 22, 2015 and Mr. P. N. Singh has been appointed as Chairman of the Committee in his place. All the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there is no material departure from the same;
- ii) the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended March 31, 2016 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

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

CORPORATE DEBT RESTRUCTURING

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

RISK MANAGEMENT POLICY

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. A note on the policy of the Company on risk management is provided in this Annual Report under



Management Discussion and Analysis Report.

INTERNAL FINANCIAL CONTROLS

The system of internal control maintained by the Company is adequate and also upto date. Only after ensuring authenticity and genuineness of various transactions, they are recorded and reported to the management. The Company always follows relevant and applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

CURRENT OUTLOOK

The long-term prospects for the Indian Paper Industry are bright as increasing population, literacy rate, growth in GDP and changes in lifestyles of individuals are expected to bring surge in demand in the huge domestic markets. The paper industry in India is on the growth trajectory and is expected to touch 8.5% GDP in the coming years. The recent initiatives of the Government in framing policies which are conducive for the Industrial development is another silver line in the growth prospects of the paper industry.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in 'Annexure-C' to the Directors' Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the Annual General Meeting held on September 29, 2015, M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 48th Annual general Meeting of the Company. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual general Meeting. Accordingly, the appointment of M/s. Radheshyam Sharma & Co., Chartered Accountants as Statutory Auditors of the Company, is placed for ratification by the members.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2015-16 does not contain any qualification, reservation or adverse remark.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. The observations of Statutory Auditors and Notes to

the Financial Statements are self-explanatory and do not call for any further comments.

Cost Auditors

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Amendment Rules, 2015 and the Companies (Cost Records and Audit) Amendment Rules, 2015, the Board has, on the recommendation of Audit Committee, approved the appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No. 00180) to carry out the cost audit of Company's records in respect of newsprint paper for the financial year 2016-17, at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses in connection with the aforesaid audit. The remuneration proposed to be paid to them requires ratification by the members of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

The Cost Audit Report for the financial year ended March 31, 2015 has been filed under XBRL mode within the stipulated time period.

Secretarial Auditors

M/s. BLAK & Co., Company Secretaries, Delhi were appointed to conduct the secretarial audit of the Company for the financial year ended March 31, 2016, as required under the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report submitted by them is annexed herewith as 'Annexure-D'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Auditors

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

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

During the year, the Company has not granted any loans or given guarantees/securities or made investments under section 186 of the Companies Act, 2013. The earlier investments made by the Company are provided in the notes to the financial statements in this Annual Report.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the financial year ended March 31, 2016 with related parties were on an arm's length basis and were in the ordinary course of business. There was no materially significant transaction with the Related Parties that could have had a potential conflict



with the interests of the Company. None of the Directors has any pecuniary relationships or transactions except to the extent of remuneration drawn by the directors.

In compliance with the requirements laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which were of foreseeable and repetitive nature.

The Policy on Related Party Transactions and dealing with Related Parties as approved by the Board has been uploaded on the Company's website. Your Directors draw attention of the Members to Note No. 48 to the financial statement which sets out related party disclosures.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee. The Vigil Mechanism (Whistle Blower Policy) is available on the company's website www.skpmil.com at <http://www.skpmil.com/pagepdf/1459763188.pdf> link.

CORPORATE GOVERNANCE

The Company strives to adopt the highest standards of excellence in Corporate Governance. The disclosure of the remuneration package of the managerial personnel as required under Section II of Part II of Schedule V to the Companies Act, 2013 has been provided in the Corporate Governance Report. A separate section on Management Discussion and Analysis and a certificate from Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

DISCONTINUATION OF PRODUCTION FACILITIES AT BAHADURGARH

The unhealthy competition in the coated paper industry from the imported products had resulted into reduction of the prices and heavy reduction in sales of the product manufactured by Company's Bahadurgarh Unit. Due to this reason, the production of the unit was decreased day by day and made the unit unviable. In addition to this, labour strike in the unit further resulted in increased losses of Bahadurgarh unit of the Company. Keeping in view of the situation, the Company has discontinued the production facilities at its Bahadurgarh Unit and is in the process of shifting the useful machineries from Bahadurgarh Unit to Keshwana Unit and thereafter selling the land and building in phased manner.

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

The Company has an Internal Complaints Committee (ICC)

in pursuance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for redressal of sexual harassment complaints and for ensuring time bound treatment of such complaints. There was no complaint received from any employee during the financial year 2015-16 and hence, no complaint is outstanding as on March 31, 2016 for redressal.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

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

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

GENERAL

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

1. No amount has been or is proposed to be transferred to any reserves of the Company.
2. No significant or material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.
3. There were no special resolution passed pursuant to the provisions of Section 67(3) of the Companies Act, 2013 and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
4. No disclosure in respect of Corporate Social Responsibility is required as it is not applicable to the Company.
5. No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

ACKNOWLEDGEMENT

Your Directors thank various Government Authorities for the continued help received from them. The Directors also gratefully acknowledge all the stakeholders of the Company viz. Customers, Members, Vendors, Banks and all other business associates for the continuous support and cooperation extended by them. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

P. N. Singh Director DIN: 00076392	N. K. Pasari Managing Director DIN: 00101426
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New Delhi
July 20, 2016

**ANNEXURE 'A'**

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	<u>Old</u> : L21012WB1972PLC028518 <u>New</u> (w.e.f. April 16, 2015) : L21012DL1972PLC279773
ii.	Registration Date	14-09-1972
iii.	Name of the Company	Shree Krishna Paper Mills & Industries Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	<u>Old</u> : 16, India Exchange Place, Kolkata - 700001 <u>New</u> (w.e.f April 16, 2015): 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002 Phone: 91-11-23261728, 46263200 Fax: 91- 11-23266708 E-mail: cs@skpmil.com, info@skpmil.com Website: www.skpmil.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Indl. Area, Phase-I, New Delhi-110028 Ph: 011- 41410592 to 94 Fax: 011- 41410591 Email: delhi@linkintime.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	News Print Paper	17012	87.57
2	Coloured Kraft Paper	17015	10.02

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	None				
2					
3					



IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	200	9,70,000	9,70,200	7.17	200	9,70,000	9,70,200	7.17	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	0	47,40,480	47,40,480	35.06	0	47,40,480	47,40,480	35.06	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	NIL
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter(A) = (A)(1)+(A)(2)	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	NIL
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	24,39,445	14,00,800	38,40,245	28.40	24,38,994	14,00,800	38,39,794	28.40	0.00
ii) Overseas	0	12,00,000	12,00,000	8.88	0	12,00,000	12,00,000	8.88	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2,95,147	1,93,238	4,88,385	3.61	2,93,739	1,90,733	4,84,472	3.58	-0.03
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2,81,587	0	2,81,587	2.08	2,81,562	0	2,81,562	2.08	0.00
c) Others									
i) Clearing Member	693	0	693	0.01	603	0	603	0.01	0.00
ii) HUF	0	0	0	0	4479	0	4479	0.03	0.03
iii) Non-Resident Indian	90	20,00,000	20,00,090	14.79	90	20,00,000	20,00,090	14.79	NIL
Sub-Total (B)(2):	30,16,962	47,94,038	78,11,000	57.77	30,19,467	47,91,533	78,11,000	57.77	NIL
Total Public Shareholding (B) = (B)(1)+(B)(2)	30,16,962	47,94,038	78,11,000	57.77	30,19,467	47,91,533	78,11,000	57.77	NIL
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	30,17,162	1,05,04,518	1,35,21,680	100.00	30,19,667	1,05,02,013	1,35,21,680	100.00	NIL

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Bishwanath Industries Limited	20,47,300	15.14	15.14	20,47,300	15.14	15.14	NIL
2	Bishwanath Traders & Investments Limited	16,71,080	12.36	8.25	16,71,080	12.36	8.25	NIL
3	Birender Kumar Pasari	9,10,000	6.73	6.73	9,10,000	6.73	6.73	NIL
4	Bijay Paper Traders Limited	7,47,100	5.53	5.53	7,47,100	5.53	5.53	NIL
5	Devanshu Infin Limited	2,75,000	2.03	0	2,75,000	2.03	0	NIL
6	Pradeep Kumar Pasari	60,000	0.44	0	60,000	0.44	0	NIL
7	B.N. Pasari	200	0.00	0	200	0.00	0	NIL
	Total	57,10,680	42.23	35.65	57,10,680	42.23	35.65	NIL



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

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

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vijay Kumar Gupta				
	at the beginning of the year	20,00,000	14.79	20,00,000	14.79
	at the end of the year			20,00,000	14.79
2	Govinda Power & Products Pvt Ltd				
	at the beginning of the year	14,00,000	10.35	14,00,000	10.35
	at the end of the year			14,00,000	10.35
3	WPS PTE Ltd				
	at the beginning of the year	12,00,000	8.87	12,00,000	8.87
	at the end of the year			12,00,000	8.87
4	SKCS Finvest Pvt Ltd				
	at the beginning of the year	10,14,850	7.51	10,14,850	7.51
	at the end of the year			10,14,850	7.51
5	Gopala Sales Pvt Ltd				
	at the beginning of the year	7,50,000	5.55	7,50,000	5.55
	at the end of the year			7,50,000	5.55
6	Global Manufacturers & Products Pvt Ltd				
	at the beginning of the year	6,60,000	4.88	6,60,000	4.88
	at the end of the year			6,60,000	4.88
7	Snehlatha Singhi				
	at the beginning of the year	70,074	0.52	70,074	0.52
	at the end of the year			70,074	0.52
8	Arvind Kumar Sancheti				
	at the beginning of the year	32,013	0.24	32,013	0.24
	change during the year: transfer on 15-05-2015	10,681	0.08	42,694	0.32
	at the end of the year			42,694	0.32
9	Pushpa Lata Gupta				
	at the beginning of the year	36,400	0.27	36,400	0.27
	at the end of the year			36,400	0.27
10	Sangeetha S				
	at the beginning of the year	33,250	0.25	33,250	0.25
	at the end of the year			33,250	0.25



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sh. B. N. Pasari - Non-Executive Director				
	At the beginning of the year	200	0	200	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	200	0	200	0

V. INDEBTEDNESS

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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4343.68	628.64	-	4972.32
ii) Interest due but not paid	17.64	0.01	-	17.65
iii) Interest accrued but not due	13.76	106.75	-	120.51
Total (i+ii+iii)	4375.08	735.40	-	5110.48
Change in Indebtedness during the financial year				
Additions	31.56	20.24		51.80
Reduction	559.48	20.01		579.49
Net Change	-527.92	0.23	-	-527.69
Indebtedness at the end of the financial year				
i) Principal Amount	3821.84	628.64	-	4450.48
ii) Interest due but not paid	11.57	0.24	-	11.81
iii) Interest accrued but not due	13.75	106.75		120.50
Total (i+ii+iii)	3847.16	735.63	-	4582.79

Notes:**Secured Loans include:**

1. Cash Credit Facilities from Banks which are shown under short term borrowings in the Balance Sheet.
2. Current maturities of long term debts and interest accrued and due on borrowings which are shown under other current liabilities in the Balance Sheet.

Unsecured Loans include:

1. Interest accrued but not due which are shown under other long term liabilities in the Balance Sheet.
2. Interest accrued and due on borrowings which are shown under other current liabilities in the Balance Sheet.



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Name of the Managing Director	Total Amount
1	Gross Salary	Mr. N. K. Pasari	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.65	6.65
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	Others (specify)	-	-
5	Others - P.F. Contribution	0.50	0.50
	Total(A)	7.55	7.55
	Ceiling as per the Act		30.00

B. Remuneration to other directors

(₹ in lacs)

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board/committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total(1)	-	-
2	Other Non Executive Directors		
	(a) Fee for attending board/committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total(2)	-	-
	Total(B)=(1)+(2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary		Ms. Sonam Katyal	Mr. S.K. Agarwal	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		3.48	9.73	13.21
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	as % of profit		-	-	-
	Others, specify		-	-	-
5	Others - P.F. Contribution		0.21	0.72	0.93
	Total		3.69	10.45	14.14



VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



ANNEXURE 'B'

REMUNERATION POLICY

This Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS:

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

“Key Managerial Personnel” means:

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

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

OBJECTIVE:

The objective of the policy is to ensure that:

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

ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

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

TERM / TENURE

a) Managing Director/Whole-time Director:

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

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

b) Independent Director:

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

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such



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

EVALUATION

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

REMOVAL

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

RETIREMENT

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

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

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

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for

attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.



ANNEXURE 'C'

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

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

(A) CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy;
 1. Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
 2. Machine speed increased to 650 MPM for increasing of production resulting in saving of energy per tonne of paper.
 3. Installation of higher capacity of AC at VFD rooms to minimise the break down to absorb the heat and smooth working of VFD.
 4. Replacement of rotary for getting satisfactory result of steam and condensate resulting in saving of fuel and reduction in break downs.
 5. Conversion of Boiler from husk to petcoke and automisation of petcoke feeding system to save fuel and for better efficiency of boiler.

- (ii) The steps taken by the company for utilising alternate sources of energy;

Initiatives are being taken to acquire power from Indian Energy Exchange (IEX)/ Bilateral power supply.

- (iii) The capital investment on energy conservation equipments;
Capital investment of ₹ 32.87 lacs.

(B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
 1. The Company continues to use the latest technologies for improving the productivity and quality of its services and products.
 2. Replacement of pump impellers and changing vacuum pumps belt pulleys.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
Better efficiency of the equipments resulting in reduction in the maintenance down time.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof;
Not applicable as no technology imported during the last three years.

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

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	:	Nil
Outgo	:	₹ 668.12 lacs



ANNEXURE 'D'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company as given in ANNEXURE 'I' for the financial year ended on 31st March, 2016 according to the provisions of applicable following laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (v) The other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us:
 - a) Chapter V of Finance Act,1994 (Service Tax)
 - b) Copyright Act,1957

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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange (BSE)

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

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

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(As there was no event/action in this regard during the Year under Audit)**
- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(As there was no event/action in this regard during the Year under Audit)**
 - b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(As there was no event/action in this regard during the Year under Audit)**
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; **(As**



there was no event/action in this regard during the Year under Audit)

- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

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

We further report that

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

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

Majority decision is carried through generally by way of unanimous resolution. However, we have not observed any dissenting members' views in the Minutes Book.

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

We further report that during the audit period the following events / actions had a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred above:

1. The Company by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of West Bengal to NCT of Delhi and such alteration was confirmed by an order of Regional Director (Eastern Region), Kolkata bearing the date 31/03/2015. In pursuance of the said order, the Company shifted its Registered office to present address at New Delhi w.e.f. 16th April, 2015;
2. The Company has adopted new set of Articles of Association in substitution of existing Articles of Association in Annual General Meeting of the Company dated 29/09/2015;

3. The Company has discontinued the production facilities at its Bahadurgarh Unit.

for BLAK & CO.
Company Secretaries

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

Place: New Delhi
Date : 05.07.2016

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

ANNEXURE 'I'

Our report of even date is to be read along with the Annexure stating the:

List of documents verified

1. Memorandum of Association and Articles of Association;
2. Annual Report for the preceding three Financial Years;
3. Annual Return for Last AGM;
4. Detailed Trial Balance for the F.Y. 2015-16;
5. Quarterly Financial Result for the F.Y. 2015-16;
6. Quarterly Compliance Report on Corporate Governance as prescribed in Listing Regulations;
7. Internal Auditor Reports;
8. List of Shareholders/Shareholding Pattern & Copy of Shareholding Pattern filed with Stock-Exchange;
9. Appointment Letter for KMP(s) & Senior Management Personnel during the F.Y. 2015-16;
10. Organization Chart with changes in Chart during the F.Y. 2015-16;
11. Detail of Project Site/Branch Office/Factories/Works during the F.Y. 2015-16
12. Policy document approved by the Board/committee in respect of Directors/Independent Directors, Code of Conduct, Vigil Mechanism, Related Party Transactions, Whistle Blower, Nomination and Remuneration of Directors/ Senior Management
13. HR Policy w.r.t. senior managerial personnel;
14. Copy of various Registration/Licenses/Approvals;
15. Documents with regard to appointment of :-
 - Statutory Auditor;
 - Cost Auditor;
 - Internal Auditor;
16. Statutory Registers including
 - Register of contracts or arrangements in which directors are interested under section 189 and rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014;
 - Register of investments not held in the name of the company under section 187(3)and rule 14 of the Companies (Meetings of Board and its Powers) Rules, 2014;



- Register of Inter-Corporate Investments /Loans/ Guarantees/Securities to which section 186 applies;
 - Register of Directors, Key Managerial Personnel and their shareholding under section 170 and rule 17 of the Companies (Appointment and Qualification of Directors) Rules,2014;
 - Register of charges under section 85 and rule 10 of the Companies (Registration of Charges) Rules,2014;
 - Register and Index of Members under section 88 and rule 3 of the Companies (Management and Administration) Rules,2014;
17. Minute books and Attendance Register of General Meeting, Board meeting and Committee Meetings under section 118;
 18. Copies of instruments modifying and Satisfying charges;
 19. Copies of all e-forms and returns during the Financial Year 2015-16 filed with ROC with respective receipts/ challans of fees paid;
 20. Evidence of dispatch of notices of meeting;
 21. Agenda papers;
 22. Copies of circular resolutions passed by the Board or committee of directors (signed by the directors) ;
 23. Newspaper cutting of notice of closure of register of members;
 24. Copies of notices of Annual General Meeting/ Extraordinary General Meeting and explanatory statement and Newspaper cutting of public notice of annual general meeting/ extraordinary general meeting;
 25. Dispatch register of Annual General Meeting/ Extraordinary General Meeting notice;
 26. Proxies lodged for general meetings, ballot papers , scrutinizer report ;
 27. Copies of Form MBP-1 received from all directors under section 184 at the first meeting of the Board in financial year 2015-16 and during the FY whenever there is any change in the disclosures already made;
 28. Agreement with the agency providing platform for e-voting;
 29. Agreement with courier or posting agents for dispatch of annual reports, notices to members / depositors/ debenture-holders;
 30. Agreement with RTA and RTA report in respect of various matters handled by them on behalf of the company;
 31. Scrutinizer's report for postal ballot, poll and e-voting;
 32. Director's retirement by rotation table;
 33. Copies of all letters sent to and received from the stock exchange on which the company's securities are listed;
 34. Copies of all disclosures received by the company under SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 35. Copies of all returns and forms filed with SEBI and stock exchange under SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 36. Copies of shareholding pattern filed with stock exchanges

- under clause 35 of the listing agreement;
 37. Copy of Insider trading code;
 38. Declaration received from the independent directors under sub-section (7) of section 149;
 39. Compliance records under the Depositories act, 1996 and the regulations framed under the Act;
- for BLAK & CO.**
Company Secretaries

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

Place: New Delhi
Date : 05.07.2016

ANNEXURE 'II'

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

for BLAK & CO.
Company Secretaries

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

Place: New Delhi
Date : 05.07.2016



ANNEXURE 'E (I)'

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

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

S. No.	Name of Director and Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. N. K. Pasari, Managing Director	6.99 : 1.00

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

S. No.	Name of Director/ KMP	Designation	Percentage increase in Remuneration of Directors/KMP
1	Mr. N. K. Pasari	Managing Director	0.71%
2	Mr. S. K. Agarwal	Chief Financial Officer	-
3	Ms. Sonam Katyal	Company Secretary	Employed for part of the year in 2014-15, hence figures are not comparable

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

2.6 %

- (iv) The number of permanent employees on the rolls of company;

257 as on March 31, 2016

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 2.66% whereas there was no significant change in the managerial remuneration for the same financial year.

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

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

ANNEXURE 'E (II)'

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

S. No.	Name and age	Designation	Remuneration (in Lacs)	Qualification and Experience	Date of commencement of employment	Last employment held
1	N. K. Pasari (60 Years)	Managing Director	7.05	B. Com, 42 Years	11-03-1974	-
2	D. K. Chanda (67 Years)	President	13.23	B. Com, 47 Years	01-04-1980	Rallis India Limited
3	A. K. Sharma (66 Years)	Sr. Vice President (L &CA)	11.56	B.Sc., LL.B., 44 Years	05-04-2000	Jindal Photofilms Ltd.
4	S. K. Agarwal (48 Years)	Chief Financial Officer	9.73	B. Com, FCA, 24 Years	03-05-1993	Mehra Goel & Co.
5	Satish Paliwal (47 Years)	CGM (Process)	9.23	Diploma in Paper & Pulp, 26 Years	08-11-2005	ABC Paper Mills Limited
6	R. A. Goel (59 Years)	General Manager (Purchase)	6.66	B. Sc., 35 Years	28-12-2005	Modi Alkalies & Chemical Limited
7	Subhash Gupta (45 Years)	DGM-Accounts	6.76	B. Com, FCA, 19 Years	28-01-2015	Singal Bros. & Associates
8	Man Singh (58 Years)	Sr. Manager (Sales)	6.87	Matriculation, 31 Years	01-08-1981	Bishwanath Industries Limited
9	Dharambir Singh (47 Years)	Sr. Manager (Mechanical)	6.73	Diploma in Mechanical Engineering, 27 Years	13-01-2010	Rama News Print Limited
10	Vinod Tyagi (52 Years)	Sr. Manager (Electrical)	6.34	Diploma in Process control & instrumentation, 14 Years	16-07-2012	Jindal Polyester



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The paper industry in India is more than a century old. It is among the top 12 Global players today with an output of more than 13.5 million tonnes annual with an estimated turnover of ₹ 35000 crores. 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. Many Indian Paper Mills are eyeing now to new mills to setup or joint ventures with existing players abroad to widen their business horizon. 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.

OPPORTUNITIES AND THREATS

The Indian Paper Industry is gradually surging ahead while many of the pulp and paper mills around the globe are struggling to keep afloat. Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, tissues etc. New technologies and modern management will have vital part in this process. Besides that, many overseas players are entering India by acquiring or by setting up new plants in Indian soil with an aim to make India as a paper manufacturing hub which will bring huge investments to Indian Pulp and Paper Industry.

The world phenomenon of economic recession is also felt by the Indian pulp and paper industry whose fortunes are integrated with the fortunes of the others in the world. One of the major imports of country is raw-material required by this growing paper industry. The fluctuations in the exchange rate and dwindling availability of waste paper in the exporting countries of the world are the major problems faced by the Industry. Despite these odds, the industry is looking up and is expected to grow on the desired lines in the coming years.

OUTLOOK

The long-term prospects for the Indian Paper Industry are bright as increasing population, literacy rate, growth in GDP and changes in lifestyles of individuals are expected to bring surge in demand in the huge domestic markets. The paper industry in India is on the growth trajectory and is expected to touch 8.5% GDP in the coming years. The recent initiatives of the Government in framing policies which are conducive for the Industrial development is another silver line in the growth prospects of the paper industry.

RISKS & CONCERNS

Our risk management framework helps us to identify risks and ensure that mitigation plans are in place for risks with a high likelihood of occurrence with accompanying potential impacts. The industry in which we operate is highly competitive and selling prices are subject to volatility. We continuously monitor industry developments in terms of changes in capacity as well as trends and developments in

our own product markets and take corrective risk-mitigated actions to circumvent through the potential challenges.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains effective and robust systems of internal control, including monitoring procedures, to help the management review the effectiveness of the financial and operating controls and assurance about adherence to the Company's framework of systems and procedures. Proper controls are in place which is reviewed at regular intervals to ensure that the transactions are properly authorised and correctly reported and assets are safeguarded against loss from unauthorized use or disposition.

The audit committee, along with the management, periodically reviews the findings and recommendations of the auditors, if any and takes necessary corrective actions as deemed necessary.

FINANCIAL PERFORMANCE

During the year under review, the revenue from operations was ₹ 12,504.82 lacs against ₹ 14,086.10 lacs in the last financial year. The Company has earned profit after tax of ₹ 245.68 lacs against ₹ 41.07 lacs in last year. The overall revenue has decreased as the Company has discontinued the production facilities at its Bahadurgarh Unit. Company has taken major initiatives to reduce the production cost like optimising resource utilization and improving operational efficiencies which has resulted into growth in net profit. In light of the initiatives taken by the Company, the Directors are hopeful for better results in the coming years.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. Your Company has a favourable work environment that motivates performance, innovation and achieving individual excellence and departmental objectives while adhering to the highest degree of quality and integrity. Industrial Relations were cordial and satisfactory during the year. The Company had 257 employees on its payrolls as on March 31, 2016.

CAUTIONARY STATEMENT

Statements made herein describing the Company's objectives, expectations and/or anticipations may be forward looking within the meaning of applicable Securities Law and Regulations. Such statements are qualified by the inherent risks and uncertainties surrounding future expectations generally and also may differ materially from actual future experience involving any one or more of such statements. The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. These process and practices have gradually been strengthened over the years to ensure full compliance with regulatory requirements. We firmly believe that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability and independent monitoring. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects.

2. BOARD OF DIRECTORS

i) Composition

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have wide range of skills and experience. The composition is in conformity with the erstwhile Clause 49 of the Listing Agreement as well as Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board comprises of six Directors, out of which 1 is Executive Director and 5 are Non-Executive Directors including one Woman Director. Out of 6 Directors on its Board, 3 Directors are independent.

As mandated by Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has become effective from December 1, 2015, none of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the Public Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions.

The composition of the Board of Directors as on March 31, 2016 with their attendance at Board Meetings held during the year 2015-16 and at the last Annual General Meeting and the number of Directorships/Committee Chairmanship(s)/ Membership(s) held by them in other companies along with shareholding of non-executive directors is given below:

Name/Designation of Directors	Category	No. of Position held in other companies			No. of Board Meetings Attended	Attendance at last AGM	No. of shares held by Non-Executive Directors (as on 31.03.2016)
		Director-ship#	Committee\$				
			Member	Chairman			
Mr. N. K. Pasari (Managing Director)	ED (P)	1	NIL	NIL	13	No	-
Mr. B.N. Pasari	NED (P)	5	3	2	4	No	200
Mr. L. C. Sharma	NED (I)	0	NIL	NIL	4	No	NIL
Mr. P.N. Singh	NED (I)	1	NIL	NIL	13	Yes	NIL
Mr. L.C. Parashar	NED (I)	1	NIL	NIL	13	No	NIL
Ms. Tripta Goswami*	NED	0	NIL	NIL	13	Yes	NIL

* regularized as a Director w.e.f. September 29, 2015.

excludes directorship in Private Limited Companies.

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

ED (P) – Executive Director (Promoter)

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

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

ii) Meetings of Board of Directors

The Board of Directors met thirteen times during the financial year 2015-16. The dates on which the Board meetings were held are as follows:

(i) April 22, 2015 (ii) May 30, 2015 (iii) June 18, 2015 (iv) August 12, 2015 (v) August 25, 2015 (vi) September 03, 2015 (vii) October 6, 2015 (viii) November 5, 2015 (ix) December 22, 2015 (x) January 23, 2016 (xi) February 12, 2016 (xii) March 14, 2016 and (xiii) March 31, 2016. The maximum time gap between any two Board Meetings was 54 days.

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

iii) Performance evaluation

The Board has a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors based on the criteria laid down by Nomination and Remuneration Committee which capture the following points:

1. Knowledge to perform the role;
2. Time and level of participation;
3. Performance of duties and level of oversight; and
4. Professional conduct and independence.

The Board of Directors has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the Director being evaluated) as well as the evaluation of the working of its Committees. The Directors expressed their satisfaction with the evaluation process.

iv) Appointment and Separate Meeting of Independent Directors

The terms and conditions of appointment and tenure of Independent Directors are disclosed on the website of the Company (www.skpmil.com)

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on November 5, 2015 to review the performance of Non-independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform their duties. The Independent Directors found the performance of Non-Independent Directors and the Board as well as flow of information between the Management and the Board to be satisfactory. All Independent Directors were present in the meeting.



v) Familiarisation Programme for Independent Directors

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, operations etc. through various programmes. The details of such familiarisation programme have been disclosed on the Company’s website at www.skpmil.com at <http://www.skpmil.com/pagepdf/1459763693.pdf> link.

3. COMMITTEES OF THE BOARD

The Board has constituted the following Committees:

(i) Audit Committee

All the members of the Audit Committee, including Chairman, are Non-Executive and Independent Directors and are financially literate having expertise in accounting/financial management. The Audit Committee invites Chief Financial Officer, other senior executives and representatives of statutory auditors and internal auditors to be present at its meetings. The Company Secretary acts as the Secretary of the Audit Committee.

During the year under review, Mr. L. C. Sharma resigned as Chairman of the Audit Committee of the Company w.e.f. April 22, 2015 and Mr. P. N. Singh was appointed as Chairman of the Committee in his place. Mr. L. C. Sharma remains as a member of the Audit Committee.

The terms of reference of the audit committee are broadly as under:

- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditors’ report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Examination of the financial statement and the auditors’

report thereon;

- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- Interaction with Auditors including review of internal audit function and reports;
- The audit committee shall review the information required as per SEBI Listing Regulations.

The Audit Committee met six times during the year 2015-16 on (i) April 21, 2015 (ii) May 30, 2015 (iii) August 12, 2015 (iv) September 3, 2015 (v) November 5, 2015 and (vi) February 12, 2016. The necessary quorum was present at the meetings.

The composition and the details of meetings attended by the members of the Audit Committee for the financial year 2015-16 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. P.N. Singh	Chairman*	NED (I)	6
2	Mr. L. C. Sharma	Member**	NED (I)	4
3	Mr. L.C. Parashar	Member	NED (I)	6

* Appointed as Chairman w.e.f April 22, 2015
 ** Resigned as Chairman w.e.f. April 22, 2015
 NED (I) - Non-Executive Director (Independent)

ii) Stakeholders’ Relationship Committee

This Stakeholders’ Relationship Committee looks into various issues relating to shareholders/investors including transfer and transmission of shares, issue of duplicate share certificates, non-receipt of annual report and all other matters related to the shares.

The Committee focuses primarily on monitoring and ensuring that all shareholder and investor services operate in an efficient manner and that shareholder and investor grievances/complaints including that of all other stakeholders are addressed promptly and resolved rapidly and efficiently. Ms. Sonam Katyal, Company Secretary is designated as the “Compliance Officer” who oversees the redressal of the investors’ grievances. The Committee also recommends measures for overall improvement in the quality of investor services.

During the year under review, Mr. L. C. Sharma resigned from the membership of Stakeholders’ Relationship Committee and Ms. Tripta Goswami was appointed as a member of the Committee in place of Mr. L. C. Sharma w.e.f. April 22, 2015.

During the year 2015-16, six meetings of the Stakeholders’ Relationship Committee were held on (i) September 7, 2015 (ii) September 16, 2015 (iii) November 26, 2015 (iv) November 30, 2015 (v) December 30, 2015 and (vi) March 14, 2016.

The composition of the Stakeholders’ Relationship Committee



and the details of meetings attended by the members during the financial year 2015-16 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. P.N. Singh	Chairman	NED (I)	6
2	Mr. L.C. Parashar	Member	NED (I)	6
3	Ms. Tripta Goswami	Member*	NED	6

* Appointed as member w.e.f. April 22, 2015
NED (I) - Non-Executive Director (Independent)

- No. of investors' complaints received during the year: 3
- No. of complaints not solved to the satisfaction of shareholders during the year: Nil
- No. of complaints pending as at March 31, 2016: Nil (other than those which are under litigation, disputes or court orders)

iii) Nomination and Remuneration Committee

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

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

During the year under review, Mr. L. C. Sharma resigned from the membership of Nomination and Remuneration Committee and Ms. Tripta Goswami was appointed as a member of the Committee in place of Mr. L. C. Sharma w.e.f. April 22, 2015. During the year 2015-16, one meeting of the Nomination and Remuneration Committee was held on September 24, 2015.

The composition of the Nomination and Remuneration Committee and the details of meeting attended by the members during the financial year 2015-16 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. L.C. Parashar	Chairman	NED (I)	1
2	Mr. P.N. Singh	Member	NED (I)	1
3	Ms. Tripta Goswami	Member*	NED	1

* Appointed as member w.e.f. April 22, 2015
NED (I) - Non-Executive Director (Independent)

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

4. REMUNERATION TO DIRECTORS

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

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

The Company does not pay any remuneration or sitting fee to the Non-Executive Directors. They are entitled to claim the actual out-of-pocket expenses incurred for attending Board Meetings. Salary is paid to Ms. Tripta Goswami in her capacity as the Assistant Manager (Import & Export) and no remuneration is paid to her as a Non Executive Director of the Company.

(iii) Remuneration to Managing Director

The details of remuneration paid to Mr. N. K. Pasari, Managing Director during the year ended March 31, 2016 is as under:

(Amount in ₹)

Basic Salary	HRA	Perquisites	Bonus	Others- Contribution to PF	Total	Stock options granted
4,20,000	2,10,000	39,600	34,986	50400	7,54,986	-

5. MANAGEMENT

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

6. RECONCILIATION OF SHARE CAPITAL

A qualified practicing Company Secretary carried out the Share Capital Reconciliation Audit to reconcile the total issued/paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form for each of the quarters in the financial year ended March 31, 2016. The audit confirms that the total issued/paid up capital is in agreement with the total number of Shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

7. CEO/CFO CERTIFICATION

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

8. CODE OF CONDUCT

The Company has laid down the code of conduct for its Board



of Directors and Senior Management which is posted on the website of the Company (www.skpmil.com). Additionally, all Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder. All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2015-2016. A declaration to this effect signed by the Managing Director forms part of this report.

9. GENERAL BODY MEETINGS

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

AGM Date & Time	Venue of Meeting	Special Resolution Passed
27-09-2013 10:00 a.m.	MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani Kolkata – 700 001	No Special Resolution was passed.
10-09-2014 10:00 a.m.	MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani Kolkata – 700 001	1. Resolution for power of Board to borrow money in excess of the limit prescribed under Section 180 (1)(c). 2. Resolution for appointment of Mr. Naynesh Pasari as Business Development Advisor holding office or place of profit.
29-09-2015 11:00 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	1. Adoption of new set of Articles of Association of the Company.

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

10. MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results are sent to Bombay Stock Exchange immediately after these are approved by the Board. Financial Results for the first quarter ended June 30, 2015 and second quarter ended September 30, 2015 were published in the leading newspapers such as The Financial Express (English) and Hari Bhoomi (Hindi). The Results for the third quarter ended December 31, 2015 and last quarter along with the results for the year ended March 31, 2016 were published in the prominent newspapers like Business Standard (both English & Hindi).
- These results along with the Annual Report of the Company are also placed on the Company's website www.skpmil.com.
- The quarterly results, shareholding pattern, quarterly compliances and all other related communications are also filed electronically on BSE's online portal.
- The official press releases and presentations, if any, are also available on the Company's website.

11. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date : September 29, 2016
Day : Thursday
Time : 10.30 a.m.
Venue : Shikshak Sadan
Surajmal Vihar
Delhi - 110092

ii) Financial Year

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

iii) Financial Calendar (Tentative)

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending June 30, 2016	On or before August 14, 2016
* Quarter ending September 30, 2016	On or before November 14, 2016
* Quarter ending December 31, 2016	On or before February 14, 2017
* Quarter ending March 31, 2017	On or before May 30, 2017

iv) Book Closure Date

September 26, 2016 to September 29, 2016 (both days inclusive).

v) Listing on Stock Exchanges

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

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

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

Note: The Company has paid the Listing Fee to Bombay Stock Exchange Ltd. upto 2016-2017.

vi) Market Price Data

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

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2015	-	-	29,094.61	26,897.54
May, 2015	8.48	7.68	28,071.16	26,423.99
June, 2015	8.06	8.06	27,968.75	26,307.07
July, 2015	-	-	28,578.33	27,416.39
August, 2015	-	-	28,417.59	25,298.42
September, 2015	-	-	26,471.82	24,833.54
October, 2015	7.66	7.66	27,618.14	26,168.71
November, 2015	-	-	26,824.30	25,451.42
December, 2015	-	-	26,256.42	24,867.73
January, 2016	-	-	26,197.27	23,839.76
February, 2016	-	-	25,002.32	22,494.61
March, 2016	-	-	25,479.62	23,133.18

Source: www.bseindia.com



vii) Code of conduct for prohibition of insider trading

Your company has adopted a Code of conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors and Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company has made due compliance with the said code.

viii) SEBI Complaints Redress System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES. During the year 2015-16, No shareholder’s complaint was received on SCORES by the Company.

ix) Registrar and Share Transfer Agents

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

M/s. Link Intime India Pvt. Ltd.
44, Community Centre,
2nd Floor, Naraina Indl. Area, Phase-I,
New Delhi-110028
Ph. # 011- 41410592 to 94
Fax # 011- 41410591
Email Id.: delhi@linkintime.com
Contact Persons: Mr. Swapan Kumar Naskar
Mr. Shamwant Kushwaha

x) Share Transfer System

Shares received for transfer in physical form are primarily registered and returned by the Registrar and Share Transfer Agents generally within 15 days of receipt subject to the validity and completion of documents in all respects. The Share Transfer Committee also considers the demat/remat requests including share transfer/transmission matters as and when the same are forwarded by the Registrar and Share Transfer Agents.

xi) Pending Share Transfers

No Share transfers were pending as on March 31, 2016.

xii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2016 was as under:

Shareholding of Shares	Shareholders Number	%	Number of shares	%
1 to 500	1086	82.52	2,08,510	1.54
501 to 1000	135	10.26	1,16,227	0.86
1001 to 2000	39	2.97	59,146	0.44
2001 to 3000	17	1.29	44,895	0.33
3001 to 4000	7	0.53	24,625	0.18
4001 to 5000	7	0.53	31,823	0.24
5001 to 10000	3	0.23	19,562	0.14
10001 & above	22	1.67	1,30,16,892	96.27
Total	1,316	100.00	1,35,21,680	100.00

Shareholding pattern as on March 31, 2016

Category Code	Category of shareholder	Number of share holders	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group			
1	Indian	7	57,10,680	42.23
2	Foreign	-	-	-
Total Shareholding of Promoter and Promoter Group		7	57,10,680	42.23
(B)	Public Shareholding			
1	Institutions	-	-	-
2	Bodies Corporate	25	38,39,794	28.40
3	Non-Resident Indians/ Foreign Bodies Corporate	4	32,00,090	23.67
4	Resident Individuals and Others	1280	7,71,116	5.70
Total Public Shareholding		1309	78,11,000	57.77
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
Total (A+B+C)		1316	1,35,21,680	100.00

xiii) Dematerialization of Shares

The Company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. As on March 31, 2016, a total of 30,19,667 Equity Shares representing 22.33% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode.

The Company’s ISIN No. : INE 970C01012

xiv) Outstanding GDRs/ADRs/Warrants etc

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2016.

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

The Company has foreign exchange risk and the mitigation of the same is managed by entering into forward contracts to hedge the risk as per Company’s policy. The details of foreign currency exposure as on March 31, 2016 are disclosed in Note No. 38 of the Financial Statement. The Company does not indulge in commodity hedging activities.

xvi) Plant Location

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



xvii) Address for Correspondence

Shree Krishna Paper Mills & Industries Ltd.
4830/24, Prahlad Street,
Ansari Road, Darya Ganj,
New Delhi -110002.
Phone Nos.: 91-11-23261728, 46263200
Fax No.: 91- 11-23266708
E-mail ID: cs@skpmil.com, info@skpmil.com
Website: www.skpmil.com

xviii) Corporate Identity Number

While the registered office of the Company was in the State of West Bengal, the CIN was L21012WB1972PLC028518. Subsequently, the registered office has been shifted to NCT of Delhi w.e.f. April 16, 2015 and CIN has been changed to L21012DL1972PLC279773.

12. DISCLOSURES

- a) During the year, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. All transactions entered into with the related parties were in the ordinary course of business and on an arm's length basis. The details of related party transactions during the year have been set out under Note No. 48 of Notes to Financial Statements. Board of Directors has adopted a policy for related party transactions which has been uploaded on the website of the Company at www.skpmil.com at <http://www.skpmil.com/pagepdf/1459763367.pdf> link.
- b) No strictures or penalties have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- c) The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities, the Company has adopted a Vigil Mechanism policy. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Vigil Mechanism (Whistle Blower Policy) is available on the Company's website.
- d) The Company has complied with all the mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) As the Company doesn't have any subsidiaries under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the requirement for adopting the Policy for determining 'material' subsidiaries is not applicable. Hence, no web link of the policy has been given in this report.

- f) During the financial year ended March 31, 2016, the Company did not engage in commodity hedging activities.
- g) In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- h) There is an inter-se relationship between two Directors of the Company. Mr. N. K. Pasari, Managing Director of the Company is the son of another Director, Mr. B. N. Pasari.
- i) Your Company has a risk management framework which helps us to identify risks and ensure that mitigation plans are in place for risks with a high likelihood of occurrence with accompanying potential impacts. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives and take corrective risk-mitigated actions to circumvent through the potential challenges.
- j) The Company has fully complied with the applicable requirement specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

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

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended on March 31, 2016, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

New Delhi
May 30, 2016

(CA Radheshyam Sharma)
Proprietor
Membership No. 097127

Declaration for compliance with Code of Conduct

I, N. K. Pasari, Managing Director of the Company declare that all the members of the Board of Directors and senior management personnel have, for the year ended March 31, 2016, affirmed compliance with the Code of Conduct as laid down by the Company in terms of Regulation 26(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Shree Krishna Paper Mills & Industries Ltd.

New Delhi
July 20, 2016

N. K. Pasari
Managing Director
DIN: 00101426



Certificate by Managing Director and Chief Financial Officer

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and intimated the steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(S. K. AGARWAL)
Chief Financial Officer

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

New Delhi
July 20, 2016



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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and



- the operating effectiveness of such controls, refer to our separate report in 'Annexure B' .
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 35 of the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(CA Radheshyam Sharma)
Proprietor
Membership No. 097127

New Delhi
Date : May 30, 2016

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

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

According to information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2016 for a period more than six months from the date the same became payable.
 - According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any



dispute other than those as mentioned below:

Nature of the Statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
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
Service Tax (Finance Act, 1994)	Service Tax	0.32	2006-2008	Hon'ble CESTAT, New Delhi
Rajasthan State Pollution Control Board	Water Cess	6.70	01-06-2007 to 31-03-2013	Cess Appellate Committee
Central Excise Act, 1944	Excise Duty	631.88	19-01-2004 to 30-09-2014	Commissioner (Excise)
Haryana Local Area Development Act, 2000	LADT	234.86	2001-02 to 2012-13	Hon'ble Supreme Court

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans/borrowings to the banks as on March 31, 2016 except that in respect of the following dues which were due on March 31, 2016. The restructuring proposal has been submitted by the Company to the banks, approval whereof is awaited:

Name of Bank	Amount (₹ in Lacs)
Bank of India	121.00
Dena Bank	65.00
Andhra Bank	67.98
Catholic Syrian Bank Limited	89.25

However, the same has been paid since the close of the financial year.

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

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, provisions under para 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported

during the year under audit.

- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (AS-18)
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(CA Radheshyam Sharma)
Proprietor
Membership No. 097127

New Delhi
Date : May 30, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Shree Krishna Paper Mills & Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

(CA Radheshyam Sharma)

Proprietor

Membership No. 097127

New Delhi

Date : May 30, 2016

BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at March 31, 2016	(₹ in Lacs) As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	1,852.17	1,852.17
Reserves and surplus	3	(1,820.22)	(2,065.90)
		<u>31.95</u>	<u>(213.73)</u>
(2) Non-current liabilities			
Long term borrowings	4	639.33	1,328.78
Other long term liabilities	5	241.37	258.49
Long term provisions	6	131.31	140.99
		<u>1,012.01</u>	<u>1,728.26</u>
(3) Current liabilities			
Short term borrowings	7	2,761.45	2,956.20
Trade payables			
Due to micro enterprises and small enterprises	8	-	-
Due to other than of micro enterprises and small enterprises	8	1,747.91	1,411.78
Other current liabilities	9	1,492.82	988.17
Short term provisions	10	13.12	31.66
		<u>6,015.30</u>	<u>5,387.81</u>
TOTAL		<u><u>7,059.26</u></u>	<u><u>6,902.34</u></u>
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	11	2,651.35	2,643.64
Capital work-in-progress	11	53.41	233.51
Non-current investments	12	1.22	1.22
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	180.41	208.09
Other non-current assets	15	-	9.02
		<u>2,886.39</u>	<u>3,095.48</u>
(2) Current assets			
Inventories	16	966.49	1,317.96
Trade receivables	17	2,412.15	1,718.28
Cash and bank balances	18	231.51	229.55
Short term loans and advances	19	539.80	517.73
Other current assets	20	22.92	23.34
		<u>4,172.87</u>	<u>3,806.86</u>
TOTAL		<u><u>7,059.26</u></u>	<u><u>6,902.34</u></u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

(CA Radheshyam Sharma)

Proprietor

Membership No. 097127

New Delhi
May 30, 2016

For and on behalf of the Board of Directors

S.K. Agarwal
Chief Financial Officer

N. K. Pasari
Managing Director
DIN: 00101426

Sonam Katyal
Company Secretary
Membership No. 33550

P. N. Singh
Director
DIN: 00076392

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2016

		(₹ in Lacs)	
	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I) Revenue from operations	21	12,612.24	14,192.54
Less: Excise duty		107.42	106.44
Revenue from operations (net)		12,504.82	14,086.10
II) Other income	22	27.12	41.51
III) Total Revenue (I + II)		12,531.94	14,127.61
IV) Expenses			
Cost of materials consumed	23	6,917.64	8,720.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	272.48	(202.03)
Employee benefits expense	25	666.31	743.40
Finance costs	26	485.04	544.97
Depreciation and amortization expense	27	333.92	336.02
Other expenses	28	3,605.05	3,943.72
Total Expenses		12,280.44	14,086.50
V) Profit before tax (III - IV)		251.50	41.11
VI) Tax expense			
MAT credit entitlement written off		5.82	-
Tax adjustment of earlier years		-	0.04
VII) Profit for the year (V - VI)		245.68	41.07
VIII) Earnings per equity share of face value of ₹ 10/- each			
Basic and Diluted (in ₹)	29	1.64	0.13
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

(CA Radheshyam Sharma)

Proprietor

Membership No. 097127

New Delhi

May 30, 2016

For and on behalf of the Board of Directors

S.K. Agarwal
Chief Financial Officer

N. K. Pasari
Managing Director
DIN: 00101426

Sonam Katyal
Company Secretary
Membership No. 33550

P. N. Singh
Director
DIN: 00076392

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
		(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	251.50	41.11
Adjustments for:		
Depreciation and amortization expense	333.92	336.02
Interest expense	459.56	511.99
Loss/(profit) on sale of fixed assets (net)	0.21	(2.54)
Sundry balance w/off	-	1.60
Profit on sale of investments	-	(0.96)
Interest income	(20.82)	(32.95)
Unrealised exchange (gain)/loss (net)	(0.85)	0.35
Prior period adjustments	-	1.57
Provision for doubtful debts (net)	2.80	10.66
Operating profit before working capital changes	<u>1,026.32</u>	<u>866.85</u>
Adjustments for:		
Inventories	351.47	160.63
Trade and other receivables	(697.27)	(27.02)
Trade and other payables	447.03	279.14
Net cash from operating activities	<u>1,127.55</u>	<u>1,279.60</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(162.03)	(182.48)
Proceed from fixed assets	0.29	5.00
Interest income (net of tax)	17.35	27.53
Creditors for capital goods	(7.27)	(31.72)
Capital advances	4.28	6.59
Fixed deposits with banks	(0.67)	(0.67)
Net cash used in investing activities	<u>(148.05)</u>	<u>(175.75)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	20.00	-
Repayment of long- term borrowings	(347.08)	(533.13)
Short-term borrowings (net)	(194.75)	34.93
Interest paid	(465.40)	(540.35)
Net cash used in financing activities	<u>(987.23)</u>	<u>(1,038.55)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(7.73)</u>	<u>65.30</u>
Opening balance of cash and cash equivalents	<u>152.30</u>	<u>87.00</u>
Closing balance of cash and cash equivalents	<u>144.57</u>	<u>152.30</u>
(Refer note no. 18)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

(CA Radheshyam Sharma)

Proprietor

Membership No. 097127

New Delhi
May 30, 2016

For and on behalf of the Board of Directors

S.K. Agarwal
Chief Financial Officer

N. K. Pasari
Managing Director
DIN: 00101426

Sonam Katyal
Company Secretary
Membership No. 33550

P. N. Singh
Director
DIN: 00076392

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1) SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain fixed assets which are stated at revalued amounts. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Fixed assets**Tangible assets****(i) Recognition**

Tangible fixed assets are stated at cost (net of duties and taxes) less accumulated depreciation, amortization and impairment loss, if any, 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, including borrowing costs in case of qualifying fixed assets, are capitalized. Gains or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

(ii) Capital work-in-progress

Tangible assets not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress". Capital work-in-progress is stated at cost including borrowing costs in case of qualifying fixed assets and expenditure incurred in connection with the fixed assets.

(iii) Depreciation and amortization

Depreciation on tangible fixed assets is charged on straight line method over the useful life of the asset as prescribed in Schedule II of the Companies Act, 2013. Depreciation on assets purchased / acquired during the year is charged from the date of addition / purchase of the assets. Similarly, depreciation on assets sold / discarded during the year is charged up to the date of 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 and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

e) Cash flow statement

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities. Cash flows from operating activities are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

f) Investment

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.

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. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and



condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

h) Transactions in foreign currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction.

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

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. Sales are disclosed net of returns and applicable sales taxes.
- 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) 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.

k) Borrowing cost

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. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l) Income taxes

Tax expense for the year comprising current tax and deferred tax are considered in determining the net profit/(loss) for the year. A provision is made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws applicable to the Company. A provision is made for deferred tax for all timing difference arising between



taxable income and 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.

m) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit/(loss) after tax less dividend on preference shares including dividend distribution tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges attributable to the equity shareholders for the year by the weighted average number of equity and equivalent dilutive equity shares outstanding during the year.

n) Impairment of assets

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

o) Provisions, contingent liabilities and contingent assets

(i) Provisions

Provisions are recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

(ii) Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

(iii) Contingent assets

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

p) Leased assets

For assets acquired under operating lease, rental payable are charged to Statement of Profit and Loss on a straight line basis over the lease term.

For assets acquired under finance lease, the assets are capitalized at lower of their respective fair value and the present value of minimum lease payment. Amortization of capitalized leased asset is computed on straight line method over the useful life of the asset.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2) SHARE CAPITAL

	As at March 31, 2016	As at March 31, 2015
(₹ in Lacs)		
Authorised		
2,00,00,000 (previous year 2,00,00,000) Equity shares of ₹ 10/- each	2,000.00	2,000.00
5,00,000 (previous year 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, subscribed & fully paid		
1,35,21,680 (previous year 1,35,21,680) Equity shares of ₹ 10/- each	1,352.17	1,352.17
5,00,000 (previous year 5,00,000) 4% Cumulative redeemable preference shares of ₹ 100/- each	500.00	500.00
	<u>1,852.17</u>	<u>1,852.17</u>

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
Equity shares of ₹ 10/- each				
Balance at the beginning of the year	13,521,680	1,352.17	13,521,680	1,352.17
Issued during the year	-	-	-	-
Balance at the end of the year	<u>13,521,680</u>	<u>1,352.17</u>	<u>13,521,680</u>	<u>1,352.17</u>
4% cumulative redeemable preference shares of ₹ 100/- each				
Balance at the beginning of the year	500,000	500.00	500,000	500.00
Issued during the year	-	-	-	-
Balance at the end of the year	<u>500,000</u>	<u>500.00</u>	<u>500,000</u>	<u>500.00</u>

(b) Rights, preferences 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.

Preference shares

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

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

(i) Equity shares of ₹ 10/- each	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(%)	No. of Shares	(%)
M/s. Bishwanath Industries Ltd.	20,47,300	15.14	20,47,300	15.14
Mr. Vijay Kumar Gupta	20,00,000	14.79	20,00,000	14.79
M/s. Bishwanath Traders & Investments Ltd.	16,71,080	12.36	16,71,080	12.36
M/s. Govinda Power & Products Pvt. Ltd.	14,00,000	10.35	14,00,000	10.35
M/s. WPS PTE Ltd.	12,00,000	8.87	12,00,000	8.87
M/s. SKCS Finvest Pvt. Ltd.	10,14,850	7.51	10,14,850	7.51
Mr. Birender Kumar Pasari	9,10,000	6.73	9,10,000	6.73
M/s. Gopala Sales Pvt. Ltd.	7,50,000	5.55	7,50,000	5.55
M/s. Bijay Paper Traders Ltd.	7,47,100	5.53	7,47,100	5.53



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(ii) 4% Cumulative redeemable preference shares of ₹ 100/- each	As at March 31, 2016		As at March 31, 2015	
	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
The Catholic Syrian Bank Limited	78,150	15.63	78,150	15.63
Andhra Bank	31,250	6.25	31,250	6.25

(₹ in Lacs)

3) RESERVES AND SURPLUS

(a) Capital Reserve

Balance as per last balance sheet

(b) Securities Premium Account

Balance as per last balance sheet

(c) Surplus in Statement of Profit & Loss

Balance/(deficit) as per last balance sheet

Less: Adjustment for depreciation (refer note no.42)

Add: Profit for the year

	As at March 31, 2016		As at March 31, 2015	
		25.33		25.33
		565.49		565.49
	(2,656.72)		(2,668.96)	
	-		(28.83)	
	<u>245.68</u>	(2,411.04)	<u>41.07</u>	(2,656.72)
		<u>(1,820.22)</u>		<u>(2,065.90)</u>

(₹ in Lacs)

4) LONG TERM BORROWINGS

Secured

Term loans from banks

Vehicle loan

Unsecured

Loans and advances from related parties (refer note no. 48)

Loans and advances from other bodies corporate

	As at March 31, 2016	As at March 31, 2015
	-	700.14
	10.69	-
	578.64	578.64
	50.00	50.00
	<u>639.33</u>	<u>1328.78</u>

Details of security and terms of repayment:

- Current maturities of long term borrowings are taken under current liabilities (refer note no. 9)
- 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 first pari-passu charge on the block assets of Bahadurgarh unit and by personal guarantee of two Directors of the Company.
- Term loans from banks are also collaterally secured by pledge of 48,20,400 equity shares (previous year 48,20,400) held by the promoter and promoter group.
- The term loan instalments due on March 31, 2016 were not paid on its due date as the Company has submitted restructuring proposal to the banks, approval whereof is awaited. However, the same has been paid since the close of the financial year.
- Term loans from banks are repayable in half yearly instalments. Loan wise maturity amount of previous year to be paid in 2016-17 is as under:-

	Term Loan I & II	Term Loan III	Total
Amount (₹ in Lacs)	601.22	98.92	700.14
No. of Instalments	4	2	6

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

	2017-18	2018-19	Total
Amount (₹ in Lacs)	6.98	3.71	10.69
No. of Instalments	12	6	18

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

- The above loans carry varying rates of interest with the maximum rate of interest going upto 12.45% (previous year 12.45%).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016	(₹ in Lacs) As at March 31, 2015
5) OTHER LONG TERM LIABILITIES		
Deposits from dealers & contractors	81.00	102.43
Creditors for capital goods	39.87	35.56
Interest accrued but not due on borrowings	120.50	120.50
	<u>241.37</u>	<u>258.49</u>
6) LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity	114.39	120.38
Leave encashment	16.92	20.61
	<u>131.31</u>	<u>140.99</u>
7) SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
Cash credit from banks	2,761.45	2,956.20
	<u>2,761.45</u>	<u>2,956.20</u>

Details of Security:

- (a) Cash credit facilities from banks under consortium arrangement having Bank of India as lead bank, are secured by first pari - passu charge on hypothecation of inventories and receivables and all other current assets of the Company, collaterally secured by second pari - passu charge on the entire movable and immovable assets of the Company both present and future and personal guarantee of two Directors of the Company.
- (b) Cash credit facilities are also collaterally secured by pledge of 48,20,400 equity shares (previous year 48,20,400) held by promoter and promoter group.
- (c) Maximum rate of interest was 11.45% per annum (previous year 11.45% per annum).

	As at March 31, 2016	(₹ in Lacs) As at March 31, 2015
8) TRADE PAYABLES		
Due to micro enterprises and small enterprises (refer note no. 43)	-	-
Due to other than of micro enterprises and small enterprises		
Acceptances	167.39	98.98
Trade payables	1,580.52	1,312.80
	<u>1,747.91</u>	<u>1,411.78</u>
9) OTHER CURRENT LIABILITIES		
Current maturities of long term debt	1,049.71	687.34
Interest accrued and due on borrowings	11.81	17.65
Other payables		
Due to employees	90.03	93.79
Advance from customers	84.30	41.87
Statutory dues	14.33	29.88
Creditors for capital goods	1.84	13.43
Expenses payable	240.80	104.21
	<u>1,492.82</u>	<u>988.17</u>
10) SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity	7.89	24.86
Leave encashment	5.23	6.73
Provision for wealth tax	-	0.07
	<u>13.12</u>	<u>31.66</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

11) FIXED ASSETS

(i) Tangible Assets (owned, unless otherwise stated)

(₹ in Lacs)

Description	Gross Block				Depreciation/Amortization				Net Block		
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31,2016	As at April 1, 2015	For the year	Deductions/ Adjustments	Adjusted with Reserves and Surplus	As at March 31,2016	As at March 31,2016	As at March 31,2015
Land											
Free Hold	114.09	-	-	114.09	-	-	-	-	-	114.09	114.09
Lease Hold	174.94	-	-	174.94	22.86	1.77	-	-	24.63	150.31	152.08
Buildings	1,339.80	25.48	-	1,365.28	566.99	40.95	-	-	607.94	757.34	772.81
Plant and Equipment	6,704.32	276.61	-	6,980.93	5,152.91	278.26	-	-	5,431.17	1,549.76	1,551.41
Furniture and Fixtures	21.84	-	-	21.84	19.71	0.50	-	-	20.21	1.63	2.13
Vehicles	60.29	37.93	3.95	94.27	21.73	8.68	3.45	-	26.96	67.31	38.56
Office Equipment	48.70	1.97	-	50.67	42.19	1.86	-	-	44.05	6.62	6.51
Computers	62.93	0.14	-	63.07	56.88	1.90	-	-	58.78	4.29	6.05
Total	8,526.91	342.13	3.95	8,865.09	5,883.27	333.92	3.45	-	6,213.74	2,651.35	2,643.64
Previous Year	8,393.87	148.67	15.63	8,526.91	5,531.59	336.02	13.17	28.83	5,883.27	2,643.64	-
(ii) Capital work-in-progress										53.41	233.51

Note:- (i) Capital work-in-progress includes borrowing cost of ₹ NIL (previous year ₹ 11.23 Lacs)

(ii) Addition in Plant and Equipment includes ₹ 0.47 Lacs (previous year ₹ NIL) on account of exchange difference during the year.

12) NON-CURRENT INVESTMENTS

Long-term investments

Other than trade investments

Investments in Equity instruments (fully paid)

Quoted (At cost less provision for other than temporary diminution)

300 (previous year 300) Equity Shares of ₹ 10/- each of Sarda Papers Ltd.

0.02

0.02

300 (previous year 300) Equity Shares of ₹ 10/- each of Soma Papers & Industries Ltd.

-

-

Un-quoted (At cost)

20,990 (previous year 20,990) Equity shares of ₹ 10/- each of Bishwanath Industries Ltd.

1.20

1.20

1.22

1.22

Aggregate amount of quoted investments ₹ 0.02 lacs (previous year ₹ 0.02 lacs)

Aggregate market value of quoted investments ₹ 0.07 lacs (previous year ₹ 0.08 lacs)

Aggregate amount of un-quoted investments ₹ 1.20 lacs (previous year ₹ 1.20 lacs)

13) DEFERRED TAX ASSETS (NET)

Deferred tax assets

Unabsorbed depreciation/business loss

178.65

171.35

Deferred tax liabilities

Tax impact of differential depreciation

(178.65)

(171.35)

-

-

In view of brought forward losses available under the Income Tax Act 1961, the Company has recognized deferred tax asset only to the extent of deferred tax liability.

14) LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Capital advances

5.91

10.19

Security deposits

174.50

192.08

MAT credit entitlement

-

5.82

180.41

208.09

15) OTHER NON-CURRENT ASSETS

Fixed deposit with bank (maturing after 12 months)

Pledged with bank as margin

-

9.02

-

9.02



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016	(₹ in Lacs) As at March 31, 2015
16) INVENTORIES (Valued at lower of cost and net realisable value)		
Raw materials*	559.21	632.83
Work-in-progress	12.62	12.51
Finished goods	170.97	443.56
Stores and spares	223.69	229.06
	<u>966.49</u>	<u>1,317.96</u>
*includes goods in transit of ₹ 177.65 lacs (Previous Year ₹ 27.71 lacs)		
17) TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date due for payment		
Considered good	152.19	129.09
Considered doubtful	21.76	18.95
	<u>173.95</u>	<u>148.04</u>
Less: Provision for doubtful debts	21.76	18.95
	<u>152.19</u>	<u>129.09</u>
Others		
Considered good	2,259.96	1,589.19
	<u>2,412.15</u>	<u>1,718.28</u>
18) CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks - in current accounts	140.94	145.51
Cash on hand	3.63	6.79
	<u>144.57</u>	<u>152.30</u>
Other bank balances		
Fixed deposit with bank* (maturing within 12 months)		
Pledged with bank as margin	49.92	49.25
Others	37.02	28.00
	<u>86.94</u>	<u>77.25</u>
*includes ₹ 9.02 lacs (previous year ₹ NIL) having an original maturity of more than 12 months		
	<u>231.51</u>	<u>229.55</u>
19) SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Advance to suppliers	43.56	42.01
Employees' advances	2.22	2.49
Balance with excise and custom authorities	221.40	197.59
Deposit with government authorities	251.76	250.10
Vat credit receivables	3.73	2.52
Prepaid expenses	12.67	16.29
Tax deducted at source	4.46	6.73
	<u>539.80</u>	<u>517.73</u>
20) OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest receivable	17.18	15.77
Income tax refundable	4.08	4.37
Other receivables	1.66	3.20
	<u>22.92</u>	<u>23.34</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year Ended March 31, 2016	(₹ in Lacs) Year Ended March 31, 2015
21) REVENUE FROM OPERATIONS		
Sale of products (refer note no.31)	12,516.99	14,098.21
Other operating revenues - scrap sale & others	95.25	94.33
	<u>12,612.24</u>	<u>14,192.54</u>
22) OTHER INCOME		
Interest income from long-term investments		
Security deposits	12.85	14.21
Fixed deposit with banks	0.95	0.88
Interest income from current investments		
Fixed deposit with banks	6.82	7.16
Customers	-	10.44
Others	0.20	0.26
	<u>20.82</u>	<u>32.95</u>
Profit on sale of investments (long term)	-	0.96
Other non-operating income		
Provision for doubtful debts w/back	0.06	1.45
Miscellaneous income	6.24	6.15
	<u>27.12</u>	<u>41.51</u>
23) COST OF MATERIALS CONSUMED		
Raw materials (refer note no. 30)		
Waste paper	6,310.19	6,899.80
Base paper	18.40	972.42
Chemicals	589.05	848.20
	<u>6,917.64</u>	<u>8,720.42</u>
24) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Refer note no. 31 & 32)		
Opening stock		
Finished goods	443.56	242.76
Work-in-progress	12.51	11.26
Stock-in-trade/ trading goods	-	0.02
	<u>456.07</u>	<u>254.04</u>
Closing stock		
Finished goods	170.97	443.56
Work-in-progress	12.62	12.51
Stock-in-trade/ trading goods	-	-
	<u>183.59</u>	<u>456.07</u>
	<u>272.48</u>	<u>(202.03)</u>
25) EMPLOYEE BENEFITS EXPENSE		
Salary and wages	615.06	652.73
Contribution to provident and others funds	23.58	57.88
Staff welfare expenses	27.67	32.79
	<u>666.31</u>	<u>743.40</u>
26) FINANCE COSTS		
Interest expense	459.56	511.99
Other borrowing costs	25.48	32.98
	<u>485.04</u>	<u>544.97</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year Ended March 31, 2016	(₹ in Lacs) Year Ended March 31, 2015
27) DEPRECIATION AND AMORTIZATION EXPENSES		
On tangible assets (refer note no. 11)		
Depreciation	332.15	334.25
Amortization	1.77	1.77
	<u>333.92</u>	<u>336.02</u>
28) OTHER EXPENSES		
Stores and spares consumed	275.93	256.79
Power and fuel	2,481.81	2,785.83
Packing materials	249.30	241.53
Contract charges for services	201.79	235.34
Rent	2.53	-
Repairs		
Building	3.11	20.26
Machinery	62.88	63.07
Others	0.07	1.68
Insurance	5.15	4.67
Rates and taxes	14.32	10.36
Cost auditor's remuneration		
Cost audit fees	0.67	0.67
Out of pocket expenses	0.10	-
Auditor's remuneration		
For audit fees	0.82	0.62
For tax audit fees	0.27	0.17
For other services	0.04	0.16
Out of pocket expenses	0.06	0.09
Prior period adjustments	-	1.57
Exchange rate fluctuations	1.93	3.38
Excise duty on stock (net)	(13.58)	8.97
Miscellaneous expenses	317.85	308.56
	<u>3,605.05</u>	<u>3,943.72</u>
29) EARNINGS PER SHARE		
Profit after tax	245.68	41.07
Less: Dividend on preference shares including dividend distribution tax	(24.07)	(24.00)
Profit attributable to equity shareholders	221.61	17.07
Weighted average number of equity shares	1,35,21,680	1,35,21,680
Basic and Diluted earnings per share (₹)	1.64	0.13
Nominal value of an equity share (₹)	10.00	10.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****30) DETAILS OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED**

(₹ in lacs)

Particulars	2015-2016		2014-2015	
	Amount	%	Amount	%
Raw materials				
Indigenous	5,972.33	86.33	7,536.33	86.42
Imported	945.31	13.67	1,184.09	13.58
Total	6,917.64	100.00	8,720.42	100.00
Stores and spares				
Indigenous	257.22	93.22	222.07	86.48
Imported	18.71	6.78	34.72	13.52
Total	275.93	100.00	256.79	100.00

31) DETAILS OF MANUFACTURED GOODS & TRADED GOODS

(₹ in lacs)

Particulars	Op. Stock	Sales	Cl. Stock
Manufactured goods			
News print paper	122.65 (104.33)	10,974.83 (11,465.53)	165.74 (122.65)
Colour kraft paper	145.41 (36.65)	1,329.72 (1,138.58)	- (145.41)
Other paper	175.50 (101.78)	212.44 (1,494.08)	5.23 (175.50)
Total	443.56 (242.76)	12,516.99 (14,098.19)	170.97 (443.56)
Traded goods			
Paper	- (0.02)	- (0.02)	- (-)
Note : Figures in brackets represent previous year			

32) DETAIL OF CLOSING STOCK OF WORK-IN-PROGRESS

(₹ in lacs)

Particulars	2015-2016	2014-2015
News print paper	12.40	12.30
Coated paper	0.22	0.21
Total	12.62	12.51

33) VALUE OF IMPORTS ON CIF BASIS

(₹ in lacs)

Particulars	2015-2016	2014-2015
Raw materials	781.78	1,223.18
Capital goods	33.03	-
Stores and spare parts	18.31	22.28

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****34) EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE**

(₹ in lacs)

Particulars	2015-2016	2014-2015
A) Expenses incurred in foreign currency on account of:		
Foreign travel	0.72	5.05
Subscription fee	-	0.12
B) Earnings in foreign currency on account of:		
F.O.B. value of exports	-	-

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

(₹ in lacs)

Particulars	2015-2016	2014-2015
(I) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Central excise duty and service tax matters	654.42	4,065.50
Custom duty matters	228.14	228.14
Water cess	6.70	6.70
Sales tax matters	234.86	234.86
- The Excise department had issued show cause notices of ₹ 4043.51 lacs in respect of coating of uncoated paper amounting to 'manufacture' and applicability of duty thereon. The issue was finally decided by the Hon'ble Supreme Court and accordingly, excise department dropped the demand of ₹ 3727.57 lacs. Further, they have also issued demand of ₹ 315.94 lacs towards penalty. The Company has filed necessary appeal before the Hon'ble CESTAT against the balance demand of excise duty and penalty.		
- The other contingent liabilities have been disputed by the Company before respective authorities on account of classification, rates and applicability.		
- Based on the legal advices, the Company is reasonably certain that the outcome of these proceedings shall not have a material impact on its financial statements.		
(b) Other money for which the Company is contingently liable		
Right of recompense under CDR package	869.99	769.34
Arrears of dividend on 4% cumulative redeemable preference share (including dividend distribution tax)	151.95	127.49
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	24.90	32.45

36) EMPLOYEE BENEFITS**a) Post retirement benefits: Defined contribution plans**

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

(₹ in lacs)

Sl. No.	Particulars	2015-2016	2014-2015
1	Contribution to employee's provident fund	10.95	10.82
2	Contribution to employee's family pension fund	18.59	18.75
	Total	29.54	29.57



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

b) Defined benefit plans

(₹ in lacs)

		Gratuity (Funded)		Leave Encashment (Unfunded)	
		2015-2016	2014-2015	2015-2016	2014-2015
i.	Changes in the present value of obligation				
a.	Present value of obligation at the beginning of the year	148.68	136.56	27.35	24.40
b.	Interest cost	11.60	12.43	2.13	2.22
c.	Past service cost	NIL	NIL	NIL	NIL
d.	Current service cost	14.29	15.02	3.21	5.91
e.	Curtailment cost / (credit)	NIL	NIL	NIL	NIL
f.	Settlement cost / (credit)	NIL	NIL	NIL	NIL
g.	Benefits paid	(7.76)	(17.89)	(11.10)	(9.23)
h.	Actuarial (gain)/loss	(31.53)	2.56	0.56	4.05
i.	Present value of obligation at the end of the year.	135.28	148.68	22.15	27.35
ii.	Changes in the fair value of plan assets				
a.	Present value of plan assets at the beginning of the year	3.44	5.09	NIL	NIL
b.	Expected return on plan assets	0.31	0.45	NIL	NIL
c.	Actuarial gain/(loss)	0.02	(0.18)	NIL	NIL
d.	Employer's contributions	9.23	1.36	NIL	NIL
e.	Employee's contributions	NIL	NIL	NIL	NIL
f.	Benefits paid	NIL	(3.28)	NIL	NIL
g.	Fair value of plan assets at the end of the year	13.00	3.44	NIL	NIL
iii.	Amount recognized 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	135.28	148.68	22.15	27.35
b.	Fair value of plan assets at the end of the year	13.00	3.44	NIL	NIL
c.	Net (asset)/liability recognized in the balance sheet	122.28	145.24	22.15	27.35
iv.	Expenses recognized in the Statement of Profit & Loss				
a.	Current service cost	14.29	15.02	3.21	5.91
b.	Past service cost	NIL	NIL	NIL	NIL
c.	Interest cost	11.60	12.43	2.13	2.22
d.	Expected return on plan assets	(0.31)	(0.45)	NIL	NIL
e.	Curtailment cost / (credit)	NIL	NIL	NIL	NIL
f.	Settlement cost / (credit)	NIL	NIL	NIL	NIL
g.	Net actuarial (gain) / loss	(31.55)	2.74	0.56	4.05
h.	Employee's contribution	NIL	NIL	NIL	NIL
i.	Total expenses recognized in the Statement of Profit & Loss	(5.97)	29.74	5.90	12.18



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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.	Discount rate	7.80	7.80	7.80	7.80
b.	Expected rate of return on plan assets	8.35	9.00	NIL	NIL
c.	Salary escalation rate	10.00	10.00	10.00	10.00

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

38) **DISCLOSURE OF HEDGED/UNHEDGED FOREIGN CURRENCY EXPOSURE**

The Company uses forward exchange contracts to hedge its foreign exchange exposure. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

(a) The outstanding of hedged contracts as on March 31, 2016 are given under

Particulars	2015-2016	2014-2015
Trade payable on account of purchase of goods		
Amount outstanding in USD (\$ in lacs)	2.41	0.74
Amount outstanding in Indian Rupee (₹ in lacs)	163.31	46.63

(b) The outstanding of unhedged contracts as on March 31, 2016 are given under

Particulars	2015-2016	2014-2015
Trade payable on account of purchase of goods		
Amount outstanding in USD (\$ in lacs)	0.23	1.15
Amount outstanding in Indian Rupee (₹ in lacs)	15.05	72.05

39) The accumulated losses had fully eroded the net worth of the Company as on March 31, 2013. Since 2013-14, the performance of the Company has been improved and it has resulted into earning of profit but the accumulated losses were still higher. As on March 31, 2016, the net worth of the Company has become positive. The Company is in continuous process of 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.

40) The reference filed by the Company with Board for Industrial & Financial Reconstruction based on negative net worth had already been registered by the Board. Now, as on March 31, 2016, the net worth of the Company has become positive and accordingly, necessary reference will be made to the Board.

41) Corporate Debt Restructuring (CDR) package was sanctioned to the Company vide LOA dated August 17, 2009. The package was successfully implemented by all the bankers w.e.f. the cut off date i.e. April 01, 2009 as per terms and

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

conditions set out in the Letter of Approval(LOA). The CDR lenders have a right to recompense of their waivers & sacrifices made as part of the CDR proposal. The recompense payable by the Company is contingent on various factors, outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability.

- 42) During the previous year 2014-2015, the Company had revised the useful life of fixed assets as prescribed in Schedule II to the Companies Act, 2013. Accordingly an amount of ₹ 28.83 lacs (net of deferred tax) on account of assets whose useful life was already exhausted on April 01, 2014 was adjusted with Reserves and Surplus and the depreciation for that year was lower by ₹ 180.39 lacs.
- 43) Based on the information available with the management, there is no due to the suppliers under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, as per detail given below:

(₹ in lacs)

S.No.	Particulars	2015-2016	2014-2015
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

- 44)(a) In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known/ expected liabilities have been made.
- (b) The debit / credit balances of trade payables, trade receivables and short / long term loans and advances are subject to reconciliation /confirmation, although letter for confirmations have been sent. The management does not expect any material differences affecting the current year's financial statements due to the same.
- 45) Net increase/decrease in excise duty liability on closing stock of finished goods as at year end has been shown as "Excise duty on stock (net)" in note no. 28 of Notes to the financial statements
- 46) In view of brought forward losses available under the Income Tax Act, 1961, no liability towards income tax and MAT u/s 115 JB is contemplated and hence, no provision has been made in the books of accounts.
- 47) The Company's current business activity has only one primary reportable segment i.e. paper. Hence, "Segment Reporting", under AS-17 is not applicable.

48) 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

ii) Relative of Key Management Personnel:

Mr. B.N. Pasari

Mr. Naynesh Pasari

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

Laxmi Traders

Amer Hotels Ltd.

Gopala sales Pvt. Ltd.

Bishwanath Industries Ltd.

Bishwanath Traders & Investments Ltd.

Govinda Power & Products Pvt. Ltd.

SKCS Finvest Pvt. Ltd.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

iv) Details of transactions with the related parties.

(₹ in lacs)

Nature of transactions	2015-2016			2014-2015		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
Expenses:						
<i>Employee benefit expense</i>						
Mr. N.K. Pasari	7.55	-	-	7.55	-	-
<i>Consultancy paid</i>						
Mr. Naynesh Pasari	-	1.20	-	-	0.60	-
<i>Finance costs</i>						
Gopala Sales Pvt. Ltd.	-	-	0.27	-	-	0.01
<i>Packing material purchase</i>						
Gopala Sales Pvt. Ltd.	-	-	81.83	-	-	49.87
Govinda Power & Products Pvt. Ltd.	-	-	22.24	-	-	15.63
Income:						
<i>Other operating revenues</i>						
Gopala Sales Pvt. Ltd.	-	-	5.52	-	-	2.85
Govinda Power & Products Pvt. Ltd.	-	-	8.68	-	-	4.12
<i>Other income</i>						
Gopala Sales Pvt. Ltd.	-	-	0.72	-	-	0.61
Govinda Power & Products Pvt. Ltd.	-	-	0.66	-	-	0.66
SKCS Finvest Pvt. Ltd.	-	-	0.06	-	-	0.06
Long-term borrowings						
Gopala Sales Pvt. Ltd.						
Loan taken	-	-	20.00	-	-	31.50
Loan repaid	-	-	20.00	-	-	31.50
Closing balances						
<i>Trade and other receivables</i>						
Gopala Sales Pvt. Ltd.	-	-	8.28	-	-	0.61
Govinda Power & Products Pvt. Ltd.	-	-	0.66	-	-	0.66
SKCS Finvest Pvt. Ltd.	-	-	0.06	-	-	0.06
<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	-	-	20.00
<i>Other long-term liabilities</i>						
Bishwanath Traders & Investments Ltd.	-	-	8.77	-	-	8.77
Bishwanath Industries Ltd.	-	-	89.20	-	-	89.20
<i>Trade payable and other current liabilities</i>						
Gopala Sales Pvt. Ltd.	-	-	0.24	-	-	6.64
Mr. N.K. Pasari	0.79	-	-	0.81	-	-
Mr. Naynesh Pasari	-	0.09	-	-	0.54	-
Laxmi Traders	-	-	1.08	-	-	1.08
Amer Hotels Ltd.	-	-	0.30	-	-	0.30
Bishwanath Traders & Investments Ltd.	-	-	1.63	-	-	1.63
Govinda Power & Products Pvt. Ltd.	-	-	3.32	-	-	1.38

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



Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

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

Form No. MGT – 11
Proxy Form

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

Name of the member(s):

Registered Address:

Email ID:

Folio No/Client ID: DP ID:

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

1. Name:

Address:

Email:

Signature: ,or failing him/her

2. Name:

Address:

Email:

Signature: ,or failing him/her

3. Name:

Address:

Email:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

- 1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016, 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. Re-appointment of Ms. Tripta Goswami as a Director of the Company.
3. Ratification of appointment of M/s Radheshyam Sharma & Co.
4. as Statutory Auditors.
5. Re-appointment of Mr. N. K. Pasari as Managing Director
6. To approve the remuneration of the Cost Auditors for the Financial Year ending 2016-17.
7. To consider and determine the fees for delivery of any document through a particular mode to a member.

Signed this day of 2016

Signature of Shareholder

Signature of Proxy Holder(s)



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

Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

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Attendance Slip

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

Name: Folio No./ DP & Client ID:

Address: No. of Shares Held:

I/We hereby record my/our presence at the 44th Annual General Meeting of the Company at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 on Thursday, September 29, 2016 at 10.30 a.m.

Signature of the Shareholder/ Proxy

 **Shree Krishna Paper Mills &
Industries Limited**

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