



Annual Report 2013-2014



**Shree Krishna Paper Mills
& Industries Limited**

BOARD OF DIRECTORS

Mr. N. K. Pasari (Managing Director)

Mr. B. N. Pasari

Mr. B. K. Pasari*

Mr. L. C. Sharma

Mr. P. N. Singh

Mr. L. C. Parashar

*resigned from directorship w.e.f. October 1, 2013

COMPANY SECRETARY

CS A. K. Singh

AUDITORS

M/s. Singal Bros. & Associates

Chartered Accountants

New Delhi

BANKERS

Bank of India

Dena Bank

The Catholic Syrian Bank Ltd.

Andhra Bank

COST AUDITORS

M/s. Vijender Sharma & Co.

Cost Accountants

Delhi

REGISTERED OFFICE

16, India Exchange Place,

Kolkata - 700 001

CIN - L21012WB1972PLC028518

CORPORATE OFFICE

4830/24, Prahlad Street,

Ansari Road, Darya Ganj,

New Delhi - 110 002

WORKS

i) T-4, Old Industrial Area,

Bahadurgarh

Distt. Jhajjar (Haryana)

Pin - 124 507

ii) 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 42nd Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Wednesday, September 10, 2014 at 10.00 A.M. at MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700001 (West Bengal), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. L. C. Sharma (DIN: 00196158), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Singal Bros. & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution
"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 38th Annual General Meeting held on September 22, 2010 and pursuant to Section 180(1)(C) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow money from time to time either in foreign currency and/or in Indian rupee currency as may be deemed necessary, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 175 Crore (Rupees One Hundred Seventy Five Crore only) over and above the aggregate of the paid up share capital and free reserve of the Company."
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution
"RESOLVED THAT pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to Mr. Naynesh Pasari, a relative of Mr. N. K. Pasari, Managing Director of the Company, to hold an office or place of profit as the Business Development Advisor of the Company for a period of five years commencing from October 1, 2014 and on such remuneration as may be decided by the Board of Directors, provided that the aggregate remuneration payable to Mr. Naynesh Pasari shall not exceed Rs.1,00,000/- per month."

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

Corporat Office:
4830/24, Ansari Road
Darya Ganj, New Delhi 110 002
CIN: L21012WB1972PLC028518
Tel: 91-11-23261728 Fax: 91-11-23266708
E-mail: info@skpmil.com
Website: www.skpmil.com

By order of the Board

CS A. K. Singh
(Company Secretary)

New Delhi
May 29, 2014

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business 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 and the proxy need not be a member of the Company.

A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy form is annexed to this report.

The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

3. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September, 2014 to 5th September, 2014 (both days inclusive) in connection with the Annual General Meeting.
5. In respect of Equity Shares held in physical mode, all Members are requested to notify change in address, if any, to the Company/ Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited quoting their folio number and changed address with Pin Code. In respect of Equity Shares held in demat mode, all Members are requested to intimate changes with respect to their bank details, mandate, address etc. to their respective Depository Participant.
6. 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.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with sets out details relating to Special Business at the meeting, is annexed hereto.
8. 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 details to the Registrar and Transfer Agent/the Company.
9. Details under clause 49 of the listing agreement with Stock Exchanges in respect of Director seeking appointment/ re-appointment at the annual general meeting, is provided in the Corporate Governance Report forming part of the Annual Report.
10. Electronic copy of the Annual Report 2014 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 2014 are being sent in the permitted mode. Positive consent letter is annexed to this report for giving consent to receive documents in electronic mode.
11. Members may also note that the Notice of the 42nd Annual General

Meeting and the Annual Report 2014 will also be available on the Company's website www.skpmil.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@skpmil.com

12. Voting through electronic means

- I. Pursuant to Section 108 of the Companies Act, 2013 and rules of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Service Limited (CDSL).

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

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

- (ix) Members holding shares in physical form will then reach directly 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(C) Other Instructions:

- i. The voting period begins on September 3, 2014 (9.30 a.m) and ends on September 5, 2014 (5.30 p.m). During this



period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. The voting rights of the shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of July 18, 2014.
 - iii. Mr. Manish Kumar Bansal, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and Transparent Manner.
 - iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the vote in the presence of at least two (2) witness not in the employment of the Company and make Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. The Results shall be declared on or after the AGM of the Company. The Results declared along either the Scrutinizer's Reports shall be placed on the Company's website www.skpmil.com and on website on the CDSL within two (2) days of passing the resolution at the AGM of the Company and communicated to the Stock Exchange.
 - vi. 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.co.in under help section or write an email
13. 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.
 14. 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.
 15. 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.
 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.**

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

Item No.4

The member of the Company at their 38th Annual General Meeting held on September 22, 2010 had approved, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserve of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹150 Crore (Rupees One Hundred Seventy Five Cores only).

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary that the members pass a Special Resolution under Section 180(1)(C) and other applicable provisions of the Companies Act, 2013, as set out at item No.4 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 175 Crore (Rupees One Hundred Seventy Five Crore only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

Item No.5

Mr. Naynesh Pasari is a qualified MBA in the stream of Finance from Waltham, USA. He is son of Mr. N. K. Pasari, the Managing Director of the Company. Since he is relative of Mr. N. K. Pasari, Managing Director of the Company and his remuneration exceeds the limits prescribed under Section 188(1)(f) of the Companies Act, 2013, approval of the shareholders at the forthcoming General Body Meeting is required. The Business of the Company is growing over the years and this growth would need to be supported by efficient management control and processes. Mr. Naynesh Pasari with his exposure in Corporate Management has developed good understanding of managerial skills enhancing the good corporate management. His scope of work would cover his full involvement in the corporate management aspects of the Company.

In addition, he would also be in charge of operations on the back office support for sales and marketing. In the light of explanations and justifications given above, it is proposed to appoint Mr. Naynesh Pasari as the Business Development Advisor for period of 5 years commencing from October 1, 2014. The remuneration proposed to be paid to Mr. Naynesh Pasari is commensurate with his experience and is in line with industry standards prevalent in the India. The Board recommends his resolution.

In view of the applicability of the provision of Section 188(1) (f) of the Companies Act, 2013, the resolution is required to be passed as a Special Resolution for appointment of Mr. Naynesh Pasari.

None of the Directors except Mr. N. K. Pasari, Managing Director & Mr. B. N. Pasari, Director who are the relatives of Mr. Naynesh Pasari and/or key managerial personnel of the Company and their relatives, is interested in this resolution.

Registered Office:
16, India Exchange Place
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CIN: L21012WB1972PLC028518
Tel: 91-11-23261728 Fax: 91-11-23266708
E-mail: info@skpmil.com
Website: www.skpmil.com

By order of the Board

CS A. K. Singh
(Company Secretary)

New Delhi
May 29, 2014

DIRECTORS' REPORT

To the Members,

The Directors of your Company are pleased to present the 42nd Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2014 is summarised below:

	(₹ in Lacs)	
	2013-14	2012-13
Revenue from Operations (Net)	15,815.47	14,777.59
Profit / (Loss) before finance cost, depreciation & amortization expense	1,511.48	1,206.30
Finance Costs	668.89	792.42
Depreciation & amortization expense	568.71	554.66
Profit / (Loss) before Taxation	273.88	(140.78)
Less: Tax Expense		
Tax adjustment of previous year	-	626.48
Deferred Tax	0.01	-
Profit/(Loss) for the year	273.87	(767.26)

Your Directors are pleased to inform to you that during the year under review, the revenue from operations increased from ₹14,777.59 lacs to ₹15,815.47 lacs. The Company has achieved profit after tax of ₹273.87 lacs against loss of ₹767.26 lacs in the previous year. During the year under review, various measures have been implemented by the Company which has resulted into significant improvement in the profitability and the efforts are continued to perform better in future also.

Keeping in view of the profits during the year and expectation of positive net worth at the earliest, the reference filed by the Company with Board for Industrial & Financial Reconstruction based on negative net worth as on March 31, 2013 has been rejected by the Board. The accumulated losses are still higher than the net worth of the Company as on March 31, 2014 and hence, necessary reference will be made again to the Board for Industrial & Financial Reconstruction within the prescribed time.

DIVIDEND

The Directors have decided not to recommend any dividend on equity shares due to unabsorbed depreciation and accumulated losses of previous years. Because of this reason, 4% dividend aggregating to ₹23.40 lacs (Previous Year ₹23.40 lacs) including dividend distribution tax, on the outstanding 4% cumulative redeemable preference shares has also been accumulated.

INCREASE IN AUTHORISED CAPITAL

During the year under review, the Company has increased

the authorised share capital from the existing ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 1,50,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each to ₹25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,00,00,000 Equity Shares of ₹10/- each and 5,00,000 Preference Shares of ₹100/- each.

DIRECTORS

Mr. B. K. Pasari has resigned as Director of the Company w.e.f. October 1, 2013. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure as Director on the Board.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. L.C. Parashar, Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;



- ii) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for that year;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

CORPORATE DEBT RESTRUCTURING

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in Annexure to the Directors' Report.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable as none of the employee was in receipt of remuneration in excess of the limits prescribed therein.

PUBLIC DEPOSITS

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

CURRENT OUTLOOK

The Indian Paper Industry is projected to grow tremendously on account of increasing literacy levels, higher government spending on education, booming retail sector, increasing industrial activities, growth in print media, packaging of FMCGs and changing urban life styles. The government's sustained focus on literacy, increased consumerism and expansion in organized retail sector are expected to positively affect paper consumption and demand in India. With strong economic development, pacing industrial activities and increasing usage of consumer goods by the Indian population, the consumption of paper is being directly stimulated in the Country.

AUDITORS AND AUDITORS' REPORT

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

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2013-14 does not contain any qualification.

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

COST AUDITORS

The Central Government has approved the re-appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi for conducting the cost audit for the financial year 2013-14. Pursuit to rule 5 of the Cost Audit Report Rules, Cost Auditor Report for the year ended March 31, 2013 was filed with the Central Government on September 23, 2013.

CORPORATE GOVERNANCE

A separate section on Management Discussion and Analysis, Corporate Governance and a certificate from Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement forms part of the Annual Report.

LISTING ON STOCK EXCHANGES

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

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the continued co-operation and support extended to the Company by the Shareholders, Customers, Dealers, Suppliers, Bankers, Government and all the other business associates. Your Directors also express their warm appreciation to all employees for their diligence and contribution.

For and on behalf of the Board

New Delhi
May 29, 2014

P. N. Singh
Director

N. K. Pasari
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

(a) energy conservation measures taken:

1. Modification of fuel feeding system in boiler.
2. Efficient maintenance and daily monitoring of Capacitor Bank for improvement of power factor.
3. Power consumption is continuously being monitored and controlled.

(b) additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Purchase of ABT metering unit with panel to reduce the energy cost.
2. Replacement of old and inefficient motors and gearboxes.
3. Replacement of rotary syphon into stationary syphon for better condensate and to reduce steam cost.

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

Energy conservation measures continue to reduce the production cost per unit with reference to energy consumption.

(d) total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.

Attached herewith as Form A

B. TECHNOLOGY ABSORPTION

(e) efforts made in technology absorption as per Form B of the Annexure:

Attached herewith as Form B

C. FOREIGN EXCHANGE EARNINGS & OUTGO

(f) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

The Company has made all efforts to promote its products in other countries. Visits have been made to develop new export markets from time to time. The Company is hopeful to sale the material in the export market.

(g) Total Foreign Exchange used and earned:

Earnings	: Nil
Outgo	: ₹ 647.42 lacs

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	<u>2013-2014</u>	<u>2012-2013</u>
1. Electricity		
(a) Purchased		
Units Consumed (Kwh)	3,00,01,980	2,54,65,026
Total Amount (₹ in lacs)	1765.91	1,424.80
Rate per unit (₹)	5.89	5.60
(b) Own Generation (Through Diesel & Gas)		
Units Generated (Kwh)	7,61,637	16,92,416
Units per Ltr. of Diesel & per SCM of Gas	3.48	3.23
Cost per unit (₹)	14.13	11.17
2. Gas (RNG)		
Quantity (SCM)	4,24,125	7,48,489
Total Amount (₹ in lacs)	147.46	200.11
Average Rate (₹ per SCM)	34.77	26.74



3. Mustard Husk		
Quantity (Kgs.)	2,04,67,664	1,81,23,420
Total Amount (₹ in lacs)	643.17	558.65
Average Rate (₹ per Kg.)	3.14	3.08

B. Consumption per unit of Production

Electricity - Unit per MT		
In Coating unit	233	130
In Paper Manufacturing unit	758	763
Own Generation (Diesel & Gas) - Unit per MT	177	209
Gas (RNG) - SCM per MT	112	96
Mustard Husk	533	565

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

(A) RESEARCH AND DEVELOPMENT (R&D)

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

- R&D carried out to use more Indian waste paper in place of imported waste paper.
- R&D work continued to develop quality papers.

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

- Reduction in cost of raw material.
- Opportunity to compete in the challenging market.
- Improvement in value realisation.

3. Future plan of action:

- Continue to further reduction of cost of raw material.
- Installation of sand filters to use more waters.
- To make the products more competitive through operational efficiency.

4. Expenditure on R & D:

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

product development, import substitution, etc.

- Improvement in the quality of the products.
- Cost reduction to make the products competitive in the market.

3. Technology imported during the last five years:

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

For and on behalf of the Board

New Delhi
May 29, 2014

P. N. Singh
Director

N. K. Pasari
Managing Director

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Installation of Scale Bane equipment to run the machine smoothly.
- Innovation in process control on continuous basis as per the requirements.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Paper is one of the core industries and is linked to the basic human needs. Paper is the pre-requisite for education & literacy and its use is an index of advancement in these two fields as well as the overall wellbeing of the society. Paper manufacturing has been carried in India since 10th Century as a Small Cottage Industry by the traditional craft men. Paper Industry plays a vital role in the economic growth of a Country through revenue generation, foreign exchange earnings and employment generation. Despite the technological revolution leading to increased computerization of operations, paper still holds on to its existence and has become an essential commodity.

Opportunities and Threats

The Paper Industry in India has become more promising as the domestic demand is on the rise. As the per capita paper consumption in India compares poorly with global standards, there is a lot of headroom for growth of Paper Industry in India. India is a growing nation in both population and aspirational middle class, which ultimately means a growth in paper consumption.

In the recent past, Paper Companies show a significant increase in raw material, power & fuel costs. Paper manufacturers have been unable to fully pass on rising input costs to the customers due to competition from international manufacturers and increased supply via import channels which has negatively impacted their profitability.

Future Outlook

The Indian Paper Industry is projected to grow tremendously on account of increasing literacy levels, higher government spending on education, booming retail sector, increasing industrial activities, growth in print media, packaging of FMCGs and changing urban life styles. The government's sustained focus on literacy, increased consumerism and expansion in organized retail sector are expected to positively affect paper consumption and demand in India. With strong economic development, pacing industrial activities and increasing usage of consumer goods by the Indian population, the consumption of paper is being directly stimulated in the country.

Risk & Concerns

The company's risk management strategy encompasses the proper and in-depth identification, assessment and prioritisation of risks, followed by speedy mobilisation of resources to minimise, monitor and control the probability of unfortunate events. The Company has a comprehensive risk management system in place, which enables to recognize and analyse risks early and to take the appropriate action.

Internal Control System and their adequacy

The Company has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

Financial Performance

During the year under review, the operations of the Company grew significantly. The revenue from operations increased from ₹14,777.59 lacs to ₹15,815.47 lacs. The Company has achieved profit after tax of ₹273.87 lacs against loss of ₹767.26 lacs in the previous year. During the year under review, various measures have been implemented by the Company which has resulted into significant improvement in the profitability and the efforts are continued to perform better in future also.

Human Resources and Industrial Relation

Your Company recognizes human assets as a primary source of its growth & competitiveness. The Company invests in building and nurturing a strong talented pool to gain strategic edge and achieve operational excellence in all its goals. As a part of ongoing HR initiatives, skill mapping and matching is carried out. Assessment of training and development is also carried out at the time of performance appraisals. Clear objectives and goals are determined to bring objectivity to performance and overall goal achievement. During the year, industrial relations continued to be cordial. The Company had 341 employees on its payrolls as on 31 March, 2014.

Cautionary Statement

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable securities laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks, uncertainties and other important factors and the actual results could materially differ from those in such forward looking statements. Important factors that could make a difference to the Company's operations include, but are not limited to, general market, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs. The Company undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.



CORPORATE GOVERNANCE REPORT

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting and adhering to the best standards of Corporate Governance. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations.

The Company is committed to sound Corporate Governance practices and compliances with all applicable laws and regulations. The Company recognises that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of its stakeholders.

2. BOARD OF DIRECTORS

i) Composition

The Board comprises of members having varied skills, experience and knowledge. As on March 31, 2014 the total strength of the Board was five comprising of one Executive and four Non-Executive Directors. Out of 5 Directors on its Board, 3 Directors are independent. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Public companies in which he is Director. All the Directors have made necessary disclosures regarding Committee positions.

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

Name/Designation of Directors	Executive/ Non-Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at last AGM
		Director -ship#	Committee		
Mr. N. K. Pasari (Managing Director)	ED (P)	2	NIL	13	No
Mr. B. N. Pasari	NED (P)	5	NIL	5	No
Mr. B. K. Pasari*	NED (P)	2	NIL	3	Yes
Mr. L. C. Sharma	NED (I)	1	NIL	6	Yes
Mr. P. N. Singh	NED (I)	1	NIL	13	No
Mr. L. C. Parashar	NED (I)	1	NIL	12	No

* resigned from directorship w.e.f. October 1, 2013.

excludes directorship in Private Limited Company

ED (P) - Executive Director (Promoter)

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

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

ii) Number of Board Meetings held

The Board of Directors met thirteen times during the

financial year 2013-14. The dates on which the Board meetings were held are as follows:

(i) April 18, 2013 (ii) May 30, 2013 (iii) July 19, 2013 (iv) August 13, 2013 (v) August 16, 2013 (vi) September 14, 2013 (vii) October 19, 2013 (viii) October 30, 2013 (ix) November 11, 2013 (x) December 27, 2013 (xi) February 11, 2014 (xii) March 24, 2014 and (xiii) March 31, 2014. The maximum time gap between any two Board Meetings was 50 days.

iii) Brief Profile of Director's proposed for re-appointment

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

Mr. L. C. Sharma, aged about 61 years, is a Director of the Company since 2002. He is Commerce graduate and having rich experience in paper trading business, finance, accounts and other allied areas. He is a Director in the following companies viz. M/s. RDD Paperplast Pvt. Ltd., M/s. Poly Cordage Pvt. Ltd., M/s. Violet Merchants Pvt. Ltd., M/s. Klinton Consultants Pvt. Ltd., M/s. Prosys Infosolution Pvt. Ltd., M/s. Venkatesh Trading Co. Ltd., M/s. Devbhumi Housing Pvt. Ltd. and M/s. Abhinandan Goods Pvt. Ltd. He is the Chairman of Audit Committee and Member of Shareholder/ Investor Grievance Committee and Remuneration Committee of the Board of the Company.

3. COMMITTEES OF THE BOARD

The Board has constituted the following Committees:

(i) Audit Committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956. The Company has complied with the requirements of Clause 49 of the Listing Agreement with regard to composition of the Committee. The members of the Audit Committee are Non-Executive Directors, with majority of them being independent. The Chairman of the Committee is an Independent Director. The members bring with them vast experience in the field of operations, technical and finance. The Chief Financial Officer, Statutory Auditor and Cost Auditor attend the Audit Committee meetings. Other senior executives attend the meeting as and when invited by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The scope and powers of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchange. The broad terms of reference of the Audit Committee include reviewing internal control system and procedures, compliance of statutory requirements, appointment of Statutory Auditors, appointment of Cost Auditors and fixation of their fees and all other powers as specified in Clause 49 of the Listing Agreement.

The Audit Committee reviews the financial statements

before submission to the Board for approval. Along with financial reviews, the Audit Committee also reviews the statement of related party transactions, Internal Control weakness report issued by Statutory Auditors and also the Management Discussion & Analysis.

The Audit Committee met Six times during the year 2013-14 on (i) May 30, 2013 (ii) August 12, 2013 (iii) August 16, 2013 (iv) September 14, 2013 (v) November 11, 2013 and (vi) February 11, 2014. The necessary quorum was present at the meetings.

Mr. L. C Sharma, Chairman of the Audit Committee was present at the Annual General Meeting held on September 27, 2013.

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

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

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

ii) Shareholders'/Investors' Grievance Committee

As a measure of Good Corporate Governance and to focus on the shareholder's Grievances and towards strengthening investor's relations, an Investors Grievances committee has been constituted for the purpose of specifically looking into the matters relating to shareholders and investors grievances such as non-receipt of transfer/transmission of shares, dematerialization/rematerialization of shares etc.

During the year 2013-14, five meetings of the Investor Grievance Committee were held on (i) June 29, 2013 (ii) July 18, 2013 (iii) September 30, 2013 (iv) December 17, 2013 & (v) March 31, 2014.

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

iii) Remuneration Committee

The Remuneration Committee makes recommendation to the Board of Directors regarding remuneration payable to the Executive Director of the Company. The remuneration policy of the Company is aimed at rewarding performance based on periodic review of achievements.

The Committee consisting of Mr. L. C. Parashar as Chairman, Mr. L. C. Sharma & Mr. P. N. Singh as members of the Committee.

4. REMUNERATION TO DIRECTORS

(i) Remuneration to Managing Director

The details of remuneration paid to Mr. N. K. Pasari, Managing

Director during the year ended March 31, 2014 is as under:
(Amount in ₹)

Salary#	HRA	Total
4,33,188	1,65,000	5,98,188

Salary includes bonus and provident fund.

(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.

5. DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Details of shareholding of Non-Executive Directors as on March 31, 2014 are as under:

Name of the Director	Category / Status	No. of Shares held	No. of convertible instruments
Mr. B. N. Pasari	Non-Executive Director	200	-
Mr. L. C. Sharma	Non-Executive Director	-	-
Mr. P. N. Singh	Non-Executive Director	-	-
Mr. L. C. Parashar	Non-Executive Director	-	-

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

6. MANAGEMENT

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

7. RECONCILIATION OF SHARE CAPITAL

A qualified practicing Company Secretary carried out the Share Capital Reconciliation Audit to reconcile the total issued and paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. 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.

8. CEO/CFO CERTIFICATION

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

9. CODE OF CONDUCT

The Company has a Code of Conduct for its Directors and designated senior management personnel. The Code of Conduct is available on the website of the Company (www.skpmil.com). All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2013-2014.



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

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

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

For Shree Krishna Paper Mills & Industries Ltd

New Delhi
May 29, 2014

N. K. Pasari
Managing Director

10. SHAREHOLDERS

i) Means of communication

The quarterly and annual results are usually published in Business Standard (English), Duranto Barta/Arthik Lipi/ Dainik Lipi (Bengali) and are displayed on its website www.skpmil.com shortly after its submission to the Stock Exchange.

ii) Compliance Officer

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

iii) Insider Trading

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

iv) SEBI Complaints Redress System (SCORES)

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

v) Details of last three Annual General Meetings

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

AGM Date	Venue of Meeting	Special Resolution Passed
28-09-2011	Aparna Business Centre, 5, Clive House, Strand Road, Kolkata - 700 001	Resolution of Preferential Allotment of 6,50,000 equity shares to M/s Gopala Sales Pvt. Ltd.
20-09-2012	Aparna Business Centre, 5, Clive House, Strand Road, Kolkata - 700 001	Resolution of Preferential Allotment of 20, 00,000 Equity Shares to Vijay Kumar Gupta
27-09-2013	MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata - 700 001	No Special Resolution was passed

There have been no resolutions put through postal ballot during the last year and there is no proposal for passing any resolution through postal ballot in the ensuing Annual General Meeting of the Company.

11. DISCLOSURES

- There were no materially significant related party transactions between the Company and its Directors & Promoters, which had potential conflict with the interests of the Company at large. The details of related party transactions during the year have been set out under Note No. 46 of Notes to Financial Statements.
- In the preparation of the Financial Statements, the Company has followed the Accounting Standards laid down by the Companies Act, 1956.
- The Company regularly reviews the risk management strategy to ensure the effectiveness of the risk management policies and procedures.
- The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to Capital Markets during the last three years and no penalties or strictures have been imposed on the Company by any of the authorities during the above said period.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

12. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date : September 10, 2014
Day : Wednesday
Time : 10.00 A.M.
Venue : MCC Chamber of Commerce & Industry
15-B, Hemanta Basu Sarani, Kolkata - 700 001

ii) Financial Calendar (Tentative)

Board Meeting to take on record	Schedule
Results for the	
*Quarter ending June 30, 2014	On or before August 14, 2014
*Quarter ending September 30, 2014	On or before November 14, 2014
*Quarter ending December 31, 2014	On or before February 14, 2015
*Quarter ending March 31, 2015	On or before May 30, 2015

iii) Book Closure Date

September 2, 2014 to September 5, 2014 (both days inclusive).

iv) Listing on Stock Exchanges

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

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

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

Note: The Company has paid the Listing Fee to Bombay Stock Exchange Ltd. upto 2014-2015.

v) Stock Market Data

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

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2013	11.13	10.58	19,622.68	18,144.22
May, 2013	-----	-----	20,443.62	19,451.26
June, 2013	10.06	10.06	19,860.19	18,467.16
July, 2013	10.06	9.56	20,351.06	19,126.82
August, 2013	9.09	9.09	19,569.20	17,448.71
September, 2013	9.54	8.62	20,739.69	18,166.17
October, 2013	-----	-----	21,205.44	19,264.72
November, 2013	-----	-----	21,321.53	20,317.67
December, 2013	8.19	8.19	21,483.74	20,568.70
January, 2014	7.79	7.41	21,409.66	20,343.78
February, 2014	7.18	6.83	21,140.51	19,963.12
March, 2014	6.49	5.70	22,467.21	20,920.98

Source: www.bseindia.com

vi) Registrar and Share Transfer Agents

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

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

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

vii) Share Transfer System

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

viii) Status of Complaints/queries and their redressal as on March 31, 2014

During the year 2013-14, the Company had received 04 Complaints and the same were resolved. As on date, no

complaints are pending other than those, which are under litigation, disputes or court orders.

ix) Pending Share Transfers

No Share transfers were pending as on March 31, 2014.

x) Dematerialization of Shares

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2014, a total of 30,15,462 Equity Shares representing 22.30% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

The Company's ISIN No. : INE 970C01012

xi) Distribution of Shareholding

The distribution of shareholding as on March 31, 2014 was as under:

Shareholding of Shares	Shareholders Number	%	Amount (₹)	%
1 to 2500	812	60.55	9,86,230	0.73
2501 to 5000	290	21.63	11,47,180	0.85
5001 to 10000	139	10.36	11,90,680	0.88
10001 to 20000	39	2.90	5,90,450	0.44
20001 to 30000	21	1.57	5,50,020	0.41
30001 to 40000	7	0.52	2,45,670	0.18
40001 to 50000	8	0.60	3,59,630	0.26
50001 to 100000	4	0.30	2,45,220	0.18
100001 & above	21	1.57	12,99,01,720	96.07
Total	1,341	100.00	13,52,16,800	100.00

xii) Outstanding GDRs/ADRs /Warrants etc

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2014.

xiii) Plant Location

Coating Division: T-4, Old Industrial Area, Bahadurgarh Distt. Jhajjar (Haryana) Pin - 124 507	Paper Division: Plot No. "SPL-A" RIICO Industrial Area, Village - Keshwana, Tehsil-Kotputli, Distt. Jaipur (Rajasthan) Pin - 303 108
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xiv) Address for Correspondence

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

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

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

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

For Singal Bros. & Associates
Chartered Accountants
Firm Registration No. 002031N

(CA Subhash Gupta)
Partner
Membership No. 095387

New Delhi
Date: May 29, 2014

INDEPENDENT AUDITORS' 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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of matter

We draw attention to Note No. 38 of the financial statements which describes the preparation of financial statements on going concern assumption despite of erosion of net worth. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Singal Bros. & Associates

Chartered Accountants
Firm Registration No. 002031N

(CA Subhash Gupta)

Partner
Membership No. 095387

New Delhi
Date : May 29, 2014



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company has not disposed off a substantial part of its fixed assets during the year and hence, the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - a) As explained to us, the inventories (except goods in transit) have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable.
 - b) The Company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹117.55 lacs and year end balance of loans taken from such parties is ₹117.55 lacs.
 - c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which such loans have been taken are not prima facie prejudicial to the interest of the Company.
- d) The Company is regular in payment of interest and principal, as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, during the year, there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
 - b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of ₹5.00 lacs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public of the nature which attracts the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder. Therefore, the provisions of clause 4 (vi) of the said Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
 - a) According to the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty,

Excise Duty, Cess and other statutory dues with the appropriate authorities to the extent applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date they becoming payable.

- b) According to the information and explanations given to us, the dues outstanding in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute aggregating ₹4485.88 lacs, are as follows:

Nature of the Statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Custom Duty	228.14	2002-2003	Hon'ble High Court, Jaipur
Central Excise Act, 1944	Excise Duty	3.00	November, 2006 to July, 2007	Hon'ble CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	19.22	02-03-2004 to 13-04-2007	Hon'ble CESTAT, New Delhi
Central Excise Act, 1944	Service Tax	0.32	2006-2008	Hon'ble CESTAT, New Delhi
Pollution Control Board	Water Cess	6.70	01-06-2007 to 31-03-2013	Cess Appellate Committee
Central Excise Act, 1944	Excise Duty	3980.37	19-01-2004 to 30-11-2013	Commissioner (Excise)
LADT - Haryana	Sales Tax	248.13	Various years	Hon'ble Supreme Court

- (x) *The Company has accumulated losses as per books of account at the end of the financial year which is more than 50% of its net worth.* The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any dues to financial institutions and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and

explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the said Order are not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Singal Bros. & Associates
Chartered Accountants
Firm Registration No. 002031N

(CA Subhash Gupta)
Partner
Membership No. 095387

New Delhi
Date : May 29, 2014



BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014	(₹ in lacs) As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	1,852.17	1,852.17
Reserves & Surplus	3	(2,078.14)	(2,352.01)
(2) Non-Current Liabilities			
Long Term Borrowings	4	2,011.41	2,493.18
Other Long Term Liabilities	5	291.28	313.75
Long Term Provisions	6	131.37	174.83
(3) Current Liabilities			
Short Term Borrowings	7	2,921.27	3,132.60
Trade Payables	8	1,109.37	1,163.48
Other Current Liabilities	9	894.83	1,162.98
Short Term Provisions	10	24.53	22.29
TOTAL (1 to 3)		7,158.09	7,963.27
II. ASSETS			
(1) Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	11	2,862.28	3,331.23
(ii) Capital Work-in-Progress		188.47	95.80
Non-Current Investments	12	1.22	1.22
Deferred Tax Assets (Net)	13	-	-
Long Term Loans and Advances	14	188.14	169.19
Other Non-Current Assets	15	9.02	14.32
(2) Current Assets			
Inventories	16	1,478.59	1,963.90
Trade Receivables	17	1,760.66	1,590.99
Cash & Bank Balances	18	163.58	250.35
Short Term Loans and Advances	19	486.25	531.03
Other Current Assets	20	19.88	15.24
TOTAL (1 to 2)		7,158.09	7,963.27
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 47		

As per our attached report of even date
For Singal Bros. & Associates
 Firm Registration No. 002031N
 Chartered Accountants

For and on behalf of the Board

N. K. Pasari
 Managing Director

(CA Subhash Gupta)
 Partner
 Membership No. 095387

P. N. Singh
 Director

New Delhi
 May 29, 2014

CS A. K. Singh
 Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

			(₹ in lacs)
	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
I) Revenue from Operations	21	15,981.76	15,056.46
Less: Excise Duty		166.29	278.87
Revenue from Operations (Net)		15,815.47	14,777.59
II) Other Income	22	27.96	37.55
III) TOTAL REVENUE (I + II)		15,843.43	14,815.14
IV) EXPENSES			
Cost of Materials Consumed	23	9,476.01	9,311.57
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	247.60	(41.97)
Employee Benefits Expense	25	760.76	842.79
Finance Costs	26	668.89	792.42
Depreciation and Amortization Expense	11	568.71	554.66
Other Expenses	27	3,847.58	3,496.45
TOTAL EXPENSES		15,569.55	14,955.92
V) Profit/(Loss) Before Tax (III - IV)		273.88	(140.78)
VI) Tax Expense			
Deferred Tax	13	-	626.48
Tax adjustment of Previous Year		0.01	-
VII) Profit / (Loss) for the Year (V - VI)		273.87	(767.26)
VIII) Earnings per equity share of face value of ₹ 10/- each			
Basic and Diluted (in ₹)	28	1.85	(6.39)
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 47		

As per our attached report of even date
For Singal Bros. & Associates
 Firm Registration No. 002031N
 Chartered Accountants

(CA Subhash Gupta)
 Partner
 Membership No. 095387

New Delhi
 May 29, 2014

For and on behalf of the Board

N. K. Pasari
 Managing Director

P. N. Singh
 Director

CS A. K. Singh
 Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
		(₹ in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	273.88	(140.78)
Adjustments for:		
Depreciation and Amortization Expense	568.71	554.66
Finance Costs	668.89	792.42
Loss on Sale of Fixed Assets	1.26	3.82
Interest Income	(21.32)	(25.74)
Exchange Rate Fluctuations	(2.62)	-
Sundry Balance written off	-	(1.50)
Prior Period Adjustments	4.91	7.29
Provision for Doubtful Debts	2.44	4.04
Operating Profit before Working Capital Changes	1,496.15	1,194.21
Adjustments for:		
Inventories	485.31	67.99
Trade and other Receivables	(138.17)	214.81
Trade and other Payables	(174.01)	(211.17)
Net Cash from Operating Activities	1,669.28	1,265.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(194.14)	(310.93)
Sale of Fixed Assets	0.45	3.85
Interest Income (net of tax)	18.12	20.47
Creditors for Capital Goods	4.71	(18.18)
Capital Advances	(14.47)	2.13
Fixed Deposits	(8.05)	5.94
Net Cash (used in) Investing Activities	(193.38)	(296.72)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares (including premium)	-	209.00
Proceeds from Long Term Borrowings	56.13	281.74
Repayment of Long Term Borrowings	(739.92)	(1,177.00)
Short Term Borrowings (Net)	(211.33)	558.21
Finance Costs Paid	(680.90)	(789.33)
Net Cash (used in) Financing Activities	(1,576.02)	(917.38)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(100.12)	51.74
Opening Balance of Cash and Cash Equivalents	187.12	135.38
Closing Balance of Cash and Cash Equivalents	87.00	187.12

(Refer Note No. 18)

Notes to Financial Statements

2 - 47

As per our attached report of even date
For Singal Bros. & Associates
 Firm Registration No. 002031N
 Chartered Accountants

For and on behalf of the Board

N. K. Pasari
 Managing Director

(CA Subhash Gupta)
 Partner
 Membership No. 095387

P. N. Singh
 Director

New Delhi
 May 29, 2014

CS A. K. Singh
 Company Secretary

1) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

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

b) USE OF ESTIMATES

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

c) TANGIBLE FIXED ASSETS

(i) Recognition

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

(ii) Capital Work-in-Progress

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

(iii) Depreciation & Amortization

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

d) CASH & CASH EQUIVALENTS

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

e) CASH FLOW STATEMENT

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

f) INVESTMENT

Non-Current Investments are stated at cost. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g) INVENTORIES

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



h) TRANSACTIONS IN FOREIGN CURRENCY

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

i) REVENUE RECOGNITION

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

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

j) GOVERNMENT GRANTS AND SUBSIDIES

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

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

k) EMPLOYEE BENEFITS

i) Short Term Employee Benefits

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

ii) Post-Employment Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

iii) Other Long Term Employee Benefits

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

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

v) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

l) BORROWING COST

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

m) 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 & tax laws applicable to the Company. A provision is made for deferred tax for all timing difference arising between taxable income & accounting income at currently enacted or substantively enacted tax rates. Deferred tax assets are recognized only if there is reasonable/virtual, as the case may be, certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

n) EARNINGS PER SHARE

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

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

o) IMPAIRMENT OF ASSETS

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

p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Provisions

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

(ii) Contingent Liabilities

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

(iii) Contingent Assets

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

q) LEASED ASSETS

Where the Company is a Lessee

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

Lease which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Amortization of capitalized leased asset is computed on Straight Line Method over the useful life of the asset.



NOTES TO FINANCIAL STATEMENTS

2) SHARE CAPITAL

	As at March 31, 2014	As at March 31, 2013
Authorised		
2,00,00,000 (Previous Year 1,50,00,000) Equity Shares of ₹ 10/- each	2,000.00	1,500.00
5,00,000 (Previous Year 5,00,000) Preference Shares of ₹ 100/- each	500.00	500.00
	2,500.00	2,000.00
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
	1,852.17	1,852.17

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

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹10/- each				
Balance at the beginning of the year	1,35,21,680	1,352.17	1,15,21,680	1,152.17
Issued during the year	-	-	20,00,000	200.00
Balance at the end of the year	1,35,21,680	1,352.17	1,35,21,680	1,352.17
4% Cumulative Redeemable Preference Shares of ₹100/- each				
Balance at the beginning of the year	5,00,000	500.00	5,00,000	500.00
Issued during the year	-	-	-	-
Balance at the end of the year	5,00,000	500.00	5,00,000	500.00

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

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

(i) Equity Shares of ₹ 10/- each	As at March 31, 2014		As at March 31, 2013	
	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 FINANCIAL STATEMENTS

(ii) 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	As at March 31, 2014		As at March 31, 2013	
	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

Add: Received on further issue during the year

(c) Surplus in Statement of Profit & Loss

Balance as per last Balance Sheet

Add: Profit/(Loss) for the year

As at March 31, 2014		As at March 31, 2013	
	25.33		25.33
565.49		556.49	
-	565.49	9.00	565.49
(2,942.83)		(2,175.57)	
273.87	(2,668.96)	(767.26)	(2,942.83)
	(2,078.14)		(2,352.01)

(₹ in lacs)

4) LONG TERM BORROWINGS

Secured

Term Loans from Banks

Unsecured

Loans & Advances from Related Parties (Note no 46)

Loans & Advances from other Bodies Corporate

As at March 31, 2014	As at March 31, 2013
1,382.77	1,864.54
578.64	578.64
50.00	50.00
<u>2,011.41</u>	<u>2,493.18</u>

Details of Security and Terms of Repayment:

- (a) 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 charges on the block assets of Bahadurgarh Unit and by personal guarantee of two Directors of the Company & Mr. B.K.Pasari who has ceased to be Director of the Company w.e.f. October 1, 2013.
- (b) Term Loans are also collaterally secured by pledge of 48,20,400 (Previous Year 48,20,400) Equity Shares held by the Promoter and promoter group.
- (c) Term Loans from Banks are repayable in half yearly installments. Year-wise summary is as under:

	2015-16	2016-17
Installment (₹ in lacs)	685.46	697.31

- (d) Unsecured Loans are repayable on March 31, 2017. However, the Company has the option to repay these loans by giving prior notice of 30 days.



NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2014	(₹ in lacs) As at March 31, 2013
5) OTHER LONG TERM LIABILITIES		
Deposits from Dealers & Contractors	135.72	148.29
Creditors for capital goods	35.05	44.95
Interest accrued but not due	120.51	120.51
	<u>291.28</u>	<u>313.75</u>
6) LONG TERM PROVISIONS		
Provision for Employee benefits		
Gratuity	112.78	139.14
Leave encashment	18.59	35.69
	<u>131.37</u>	<u>174.83</u>
7) SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	2,921.27	3,132.60
	<u>2,921.27</u>	<u>3,132.60</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 & Mr. B. K. Pasari who has ceased to be Director of the Company w.e.f. October 1, 2013.		
b) Cash Credit facilities are also collaterally secured by pledge of 48,20,400 (Previous Year 48,20,400) Equity Shares held by Promoter and promoter group.		
	As at March 31, 2014	(₹ in lacs) As at March 31, 2013
8) TRADE PAYABLES		
a) Micro, Small and Medium Enterprises (refer note no. 41)	-	-
b) Others (including creditors for goods in transit)	1,109.37	1,163.48
	<u>1,109.37</u>	<u>1,163.48</u>
9) OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt	537.84	739.86
Interest accrued and due on Borrowings	34.77	46.78
Other Payables		
Due to Employees	103.42	124.63
Advance from Customers	60.08	58.62
Statutory Dues	22.63	43.57
Creditors for Capital Goods	45.65	31.04
Expenses Payable	90.44	118.48
	<u>894.83</u>	<u>1,162.98</u>
10) SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity	18.69	12.16
Leave encashment	5.81	10.04
Provision for Wealth Tax	0.03	0.09
	<u>24.53</u>	<u>22.29</u>

NOTES TO FINANCIAL STATEMENTS

11) FIXED ASSETS

Tangible Assets

(₹ in lacs)

Description	Gross Block				Depreciation/Amortization				Net Block	
	As at April 1, 2013	Additions	Deductions/ Adjustments	As at March 31, 2014	As at April 1, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land										
Free Hold	114.09	-	-	114.09	-	-	-	-	114.09	114.09
Lease Hold	174.94	-	-	174.94	19.32	1.77	-	21.09	153.85	155.62
Buildings	1,320.40	5.38	-	1,325.78	468.61	43.01	-	511.62	814.16	851.79
Plant & Equipment	6,521.14	93.65	0.64	6,614.15	4,387.89	513.37	0.60	4,900.66	1,713.49	2,133.25
Furniture and Fixtures	21.54	0.22	-	21.76	17.63	0.65	-	18.28	3.48	3.91
Vehicles	57.28	-	6.81	50.47	16.85	4.95	6.47	15.33	35.14	40.43
Office Equipment	32.69	1.52	3.41	30.80	18.37	1.17	2.08	17.46	13.34	14.32
Computers	61.18	0.70	-	61.88	43.36	3.79	-	47.15	14.73	17.82
Total	8,303.26	101.47	10.86	8,393.87	4,972.03	568.71	9.15	5,531.59	2,862.28	3,331.23
Previous Year	8,102.15	217.45	16.34	8,303.26	4,426.04	554.66	8.67	4,972.03	3,331.23	-

(₹ in lacs)

As at March 31, 2014	As at March 31, 2013
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12) NON-CURRENT INVESTMENTS

Other than trade Investments (At cost)

Investments in Equity Instruments (Fully paid up)

Quoted

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

21,000 (Previous Year 21,000) 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 ₹ 0.13 lacs (Previous Year ₹ 0.06 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 186.91 257.80

Deferred Tax Liabilities

Tax impact of differential depreciation (186.91) (257.80)

- -

During the year, the Company has recognized deferred tax assets only to the extent of deferred tax liability.

14) LONG TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Capital Advances 16.78 2.31

Security Deposits 165.54 161.06

Other Loans & Advances

MAT credit entitlement 5.82 5.82

188.14 169.19



NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2014	(₹ in lacs) As at March 31, 2013
15) OTHER NON-CURRENT ASSETS		
Fixed Deposit with Bank (Maturing after 12 months)		
Pledged with Bank as margin	9.02	-
Others	-	14.32
	<u>9.02</u>	<u>14.32</u>
16) INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw Materials *	978.59	1,161.77
Work-in-Progress	11.26	27.14
Finished Goods	242.75	474.47
Stock-in-Trade/Trading Goods	0.02	0.02
Stores and Spares	245.97	300.50
	<u>1,478.59</u>	<u>1,963.90</u>
*includes goods in transit of ₹ 58.37 lacs (Previous Year ₹ 84.80 lacs)		
17) TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date due for payment		
Considered Good	113.43	131.56
Considered Doubtful	8.30	18.35
	<u>121.73</u>	<u>149.91</u>
Less: Provision for Doubtful Debts	8.30	18.35
	<u>113.43</u>	<u>131.56</u>
Others		
Considered Good	1,647.23	1,459.43
	<u>1,760.66</u>	<u>1,590.99</u>
18) CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	81.34	129.60
In Fixed Deposits (original maturity of less than 3 months)	-	50.00
Cheques on hand	-	2.27
Cash on hand	5.66	5.25
	<u>87.00</u>	<u>187.12</u>
Other Bank Balances		
Fixed Deposit with Bank* (maturing within 12 months)		
Pledged with Bank as margin	31.58	23.48
Others	45.00	39.75
	<u>76.58</u>	<u>63.23</u>
* includes ₹ Nil (Previous Year ₹ 13.43 Lacs) having an original maturity of more than 12 months	<u>163.58</u>	<u>250.35</u>
19) SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance to suppliers	33.67	64.08
Employees' advances	2.88	4.59
Amount recoverable from Excise & Custom Authorities	417.70	411.20
Income Tax refundable	4.37	4.37
VAT Credit receivables	4.13	16.36
Prepaid expenses	17.28	26.21
Advance Income Tax	6.22	4.12
Earnest money deposits	-	0.10
	<u>486.25</u>	<u>531.03</u>
20) OTHER CURRENT ASSETS		
Interest Receivable	12.57	11.47
Claims Recoverable	7.31	3.77
	<u>19.88</u>	<u>15.24</u>

NOTES TO FINANCIAL STATEMENTS

		(₹ in lacs)
	Year Ended March 31, 2014	Year Ended March 31, 2013
21) REVENUE FROM OPERATIONS		
Sale of Products		
Coated Paper	2,070.01	3,183.09
Thermal Sensitive Paper	843.26	2,087.84
News Print Paper	12,092.51	9,129.52
Others	926.13	611.17
	<u>15,931.91</u>	<u>15,011.62</u>
Other Operating Revenues		
Scrap Sale	49.85	44.53
Duty Drawback	-	0.31
	<u>49.85</u>	<u>44.84</u>
	<u>15,981.76</u>	<u>15,056.46</u>
22) OTHER INCOME		
Interest Income from		
Fixed Deposit with Banks	8.28	7.98
Security Deposits	12.45	12.32
Customers	0.59	5.31
Others	-	0.13
	<u>21.32</u>	<u>25.74</u>
Other Non-Operating Income		
VAT Subsidy	1.99	8.68
Provision for Doubtful debts Written back	13.46	
Less: Bad Debts	<u>12.49</u>	-
Miscellaneous Income	3.68	3.13
	<u>27.96</u>	<u>37.55</u>
23) COST OF MATERIALS CONSUMED		
Raw Materials		
Base Paper	1,765.61	3,075.96
Waste Paper	6,784.52	4,968.25
Chemicals	925.88	1,267.36
(Refer note no. 29 of Notes to financial statements)	<u>9,476.01</u>	<u>9,311.57</u>
24) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
(Refer note no. 30 & 31 of Notes to financial statements)		
Opening Stock		
Finished Goods	474.47	402.30
Work-in-Progress	27.14	57.34
Stock-in-Trade/ Trading Goods	0.02	0.02
	<u>501.63</u>	<u>459.66</u>
Closing Stock		
Finished Goods	242.75	474.47
Work-in-Progress	11.26	27.14
Stock-in-Trade/ Trading Goods	0.02	0.02
	<u>254.03</u>	<u>501.63</u>
	<u>247.60</u>	<u>(41.97)</u>
25) EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and Bonus	687.46	740.90
Contribution to Provident Fund and Others	33.49	56.36
Staff Welfare expenses	39.81	45.53
	<u>760.76</u>	<u>842.79</u>



NOTES TO FINANCIAL STATEMENTS

	Year Ended March 31, 2014	(₹ in lacs) Year Ended March 31, 2013
26) FINANCE COSTS		
Interest expense	635.45	754.01
Other borrowing costs	<u>33.44</u>	<u>38.41</u>
	<u>668.89</u>	<u>792.42</u>
27) OTHER EXPENSES		
Stores and Spares consumed	284.94	220.57
Power & Fuel	2,664.36	2,374.61
Packing Materials	163.12	153.88
Contract charges for services	236.60	216.74
Rent	0.02	0.06
Repairs		
Building	12.35	11.43
Plant & Machineries	84.43	99.08
Others	1.44	3.10
Insurance	15.43	13.47
Rates and Taxes	15.50	10.80
Cost Audit fees (Including service tax)	0.67	0.65
Auditor's Remuneration (Including service tax)		
For Audit Fees	0.62	0.60
For Tax Audit Fees	0.17	0.17
For Taxation Matters	0.12	-
For Other Services	0.18	0.09
Out of pocket expenses	0.05	0.05
Prior period adjustments	4.91	7.29
Travelling, Conveyance & Vehicle expenses	86.44	84.84
Forwarding & Delivery charges	30.49	22.67
Postage, Telephones, Printing and Stationery	32.98	32.22
Legal & Professional fee	22.35	25.20
Exchange rate fluctuations	15.60	4.75
Electricity and Water charges	9.64	7.92
Miscellaneous expenses	36.75	38.44
Provision for Doubtful Debts	3.41	4.04
Cash Discount	15.54	36.64
Brokerage & Commission	118.35	121.71
Loss on sale of Fixed Assets	1.26	3.82
Excise Duty on stock (Net)	<u>(10.14)</u>	<u>1.61</u>
	<u>3,847.58</u>	<u>3,496.45</u>
28) EARNINGS PER SHARE		
Profit/(Loss) after Tax	273.87	(767.26)
Less: Preference Dividend including Dividend Distribution Tax	(23.40)	(23.40)
Profit/(Loss) attributable to Equity Shareholders	250.47	(790.66)
Weighted average number of Equity Shares	1,35,21,680	1,23,81,954
Basic and Diluted earnings per share (₹)	1.85	(6.39)
Nominal Value of an Equity Share (₹)	10.00	10.00

NOTES TO FINANCIAL STATEMENTS

29) DETAILS OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

(₹ in lacs)

Particulars	2013-2014		2012-2013	
	Amount	%	Amount	%
Raw Materials				
Indigenous	8,605.10	90.81	8,630.33	92.68
Imported	870.91	9.19	681.24	7.32
	9,476.01	100.00	9,311.57	100.00
Stores & Spares				
Indigenous	275.07	96.54	178.52	80.93
Imported	9.87	3.46	42.05	19.07
	284.94	100.00	220.57	100.00

30) DETAILS OF MANUFACTURED GOODS & TRADED GOODS

(₹ in lacs)

Particulars	Op. Stock	Sales	Cl. Stock
Manufactured Goods			
Coated Paper	223.14 (166.60)	2,070.01 (3183.09)	74.77 (223.14)
Thermal Sensitive Paper	45.00 (36.24)	843.26 (2,087.84)	18.51 (45.00)
News Print Paper	65.23 (50.92)	12,092.51 (9,129.52)	104.33 (65.23)
Other Paper	141.10 (148.54)	926.13 (611.17)	45.14 (141.10)
TOTAL	474.47 (402.30)	15,931.91 (15,011.62)	242.75 (474.47)
Traded Goods			
Paper	0.02 (0.02)	- -	0.02 (0.02)

Note: Figures in brackets represent previous year figures

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

(₹ in lacs)

Particulars	2013-2014	2012-2013
Coated Paper	4.71	12.99
Thermal Sensitive Paper	-	2.27
News Print Paper	6.55	11.88
Total	11.26	27.14

32) VALUE OF IMPORTS ON CIF BASIS

(₹ in lacs)

Particulars	2013-2014	2012-2013
Raw Materials	868.61	528.40
Stores & Spare parts	24.47	30.52
Capital Goods	-	1.91



NOTES TO FINANCIAL STATEMENTS

33) EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE

(₹ in lacs)

Particulars	2013-2014	2012-2013
a) Expenses incurred in Foreign Currency on account of: Foreign Travel	2.56	-
b) Earnings in Foreign Currency on account of: F.O.B. value of Exports	-	15.55

34) CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in lacs)

Particulars	2013-2014	2012-2013
(a) (i) Central Excise duty and Service Tax matters	4,002.91	3,862.23
(ii) Custom Duty matters	228.14	249.97
(iii) Water Cess	6.70	5.08
(iv) Sales Tax matters	248.13	234.86
(v) Right of Recompense under CDR package	660.26	538.41
(b) Arrear of Dividend on 4% Cumulative Redeemable Preference Share (including dividend distribution tax)	100.91	77.51
(c) Capital Commitments	16.87	14.34

35) 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	2013-2014	2012-2013
1	Contribution to Employee's Provident Fund	10.40	13.85
2	Contribution to Employee's Family Pension Fund	18.02	20.10
	Total	28.42	33.95

b) Defined Benefit Plans

(₹ in lacs)

		Gratuity (Funded)		Leave Encashment (Unfunded)	
		2013-2014	2012-2013	2013-2014	2012-2013
i.	Changes in the Present Value of Obligation				
a.	Present value of obligation at the beginning of the year	166.76	149.42	45.73	36.44
b.	Interest Cost	13.34	12.85	3.65	3.13
c.	Past Service Cost	NIL	NIL	NIL	NIL
d.	Current Service Cost	13.57	17.45	3.13	11.94
e.	Curtailment Cost / (Credit)	NIL	NIL	(3.13)	NIL
f.	Settlement Cost / (Credit)	NIL	NIL	NIL	NIL
g.	Benefits Paid	(36.05)	(6.11)	(22.24)	(7.40)
h.	Actuarial (Gain)/Loss	(21.06)	(6.85)	(2.74)	1.62
i.	Present value of obligation at the end of the year.	136.56	166.76	24.40	45.73

NOTES TO FINANCIAL STATEMENTS

ii.	Changes in the Fair Value of Plan Assets				
a.	Present value of Plan Assets at the beginning of the year	15.46	14.11	NIL	NIL
b.	Expected Return on Plan Assets	1.39	1.04	NIL	NIL
c.	Actuarial Gain/(Loss)	(0.62)	NIL	NIL	NIL
d.	Employer's Contributions	16.65	5.85	NIL	NIL
e.	Employee's Contributions	NIL	NIL	NIL	NIL
f.	Benefits paid	(27.79)	(5.54)	NIL	NIL
g.	Fair Value of Plan Assets at the end of the year	5.09	15.46	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	136.56	166.76	24.40	45.73
b.	Fair Value of Plan Assets at the end of the year	5.09	15.46	NIL	NIL
c.	Net (Asset)/Liability recognized in the Balance Sheet	131.47	151.30	24.40	45.73
iv.	Expenses recognized in the Statement of Profit & Loss				
a.	Current Service Cost	13.57	17.45	3.13	11.94
b.	Past Service Cost	NIL	NIL	NIL	NIL
c.	Interest Cost	13.34	12.85	3.65	3.13
d.	Expected Return on Plan Assets	(1.39)	(1.04)	NIL	NIL
e.	Curtailment Cost / (Credit)	NIL	NIL	(3.13)	NIL
f.	Settlement Cost / (Credit)	NIL	NIL	NIL	NIL
g.	Net Actuarial (Gain) / Loss	(20.44)	(6.85)	(2.74)	1.62
h.	Employee's Contribution	NIL	NIL	NIL	NIL
i.	Total Expenses recognized in the Statement of Profit & Loss	5.08	22.41	0.91	16.69
v.	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at end of the year	%	%	%	%
a.	Government of India Securities	NIL	NIL	NIL	NIL
b.	Corporate Bonds	NIL	NIL	NIL	NIL
c.	Special Deposits Scheme	NIL	NIL	NIL	NIL
d.	Equity Shares of Listed Companies	NIL	NIL	NIL	NIL
e.	Property	NIL	NIL	NIL	NIL
f.	Insurer Managed Funds	100	100	NIL	NIL
g.	Others	NIL	NIL	NIL	NIL
vi	Actuarial Assumption	%	%	%	%
a.	Interest Rate	8.75	9.00	NIL	NIL
b.	Discount Rate	9.10	8.00	9.10	8.00
c.	Expected Rate of Return on Plan Assets	8.75	9.00	NIL	NIL
d.	Salary Escalation Rate	10.00	10.00	10.00	10.00
e.	Retirement Age (Years)	58.00	58.00	58.00	58.00



NOTES TO FINANCIAL STATEMENTS

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

(₹ in lacs)

SL No	Particulars	Outstanding Balance as on March 31, 2014	Maximum Balance outstanding during the year
1	Loans and advances in the nature of loans to subsidiaries	-(-)	-(-)
2	Loans and advances in the nature of loans to associates	-(-)	-(-)
3	Loans and advances in the nature of loans where there is a) No repayment schedule or repayments beyond seven year b) No Interest or interest below Section 372 A of the Companies Act, 1956	-(-) -(-)	-(-) -(-)
4	Loans and advance in the nature of loans to firms/ companies in which directors are interested	-(-)	-(-)
5	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-(-)	-(-)
Note : Figures in brackets represent previous year figures			

37) DISCLOSURE OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	2013-2014	2012-2013
Trade Payable on account of purchase of goods		
Amount outstanding in USD (\$)	1,02,440.40	22,778.80
Amount outstanding in Indian Rupee (₹ in lacs)	61.57	12.39

- 38) The accumulated losses of the Company had fully eroded the net worth of the Company as on March 31, 2013. During the financial year 2013-14, the performance of the Company has improved a lot and the Company has earned profit but still the accumulated losses are higher than the net worth of Company. The Company is in continuing 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.
- 39) The reference filed by the Company with Board for Industrial & Financial Reconstruction based on negative net worth as on March 31, 2013 has been rejected by the Board keeping in view of the profits during the year and expectation of positive net worth at the earliest. Further as on March 31, 2014, the accumulated losses are still higher than the net worth of the Company and hence, necessary reference will be made again to the Board for Industrial & Financial Reconstruction within the prescribed time.
- 40) 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 1, 2009 as per terms and conditions set out in the Letter of Approval (LOA). The CDR lenders have a right to recompense of their waivers & sacrifices made as part of the CDR proposal. The recompense payable by the Company is contingent on various factors, outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability.

NOTES TO FINANCIAL STATEMENTS

- 41) Based on the information available with the management regarding status of suppliers under Micro, Small & Medium enterprises development Act, 2006, there is no due to the supplier as on March 31, 2014. Further, there is no interest paid/ payable to the suppliers.
- 42) The debit / credit balances of Trade Payables, Trade Receivables and Short / Long Term Loans & Advances are subject to reconciliation /confirmation, although confirmations have been sent after the close of the year. In the opinion of the management, there shall be no material impact on the financial statements of any adjustments, if any, arising on such confirmation /reconciliation.
- 43) Excise duty has been deducted from gross sales/revenue from operations on the face of the statement of Profit & Loss and represents amount recovered from the customers. Net increase/decrease in excise duty liability on closing stock of finished goods as at year end has been shown under the head "Excise Duty on Stock (Net)" in note no. 27 of Notes to the financial statements.
- 44) In the opinion of the management, no liability towards Income Tax is contemplated and hence no provision has been made in the books of account for Income Tax.
- 45) The Company's current business activity has only one primary reportable segment viz. Paper. Hence, "Segment Reporting", under AS-17 is not applicable. The Secondary segment is also not relevant as there is no exports sale during this year.
- 46) **RELATED PARTY DISCLOSURES**
As per Accounting Standard 18, all related parties have been identified by the management and relied upon by the auditors. There are no related parties where control exists.

i) Key Management Personnel:

Mr. N. K. Pasari- Managing Director

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

Laxmi Traders

Amer Hotels Ltd.

Gopala sales Pvt. Ltd.

Bishwanath Industries Ltd.

Bishwanath Traders & Investments Ltd.

Govinda Power & Products Pvt. Ltd.

iii) Details of transactions with the related parties.

(₹ in lacs)

Nature of transactions	2013-2014		2012-2013	
	Referred in (i) above	Referred in (ii) above	Referred in (i) above	Referred in (ii) above
Expenses:				
<i>Employee Benefit Expense</i>				
Mr. N. K. Pasari	5.98	-	5.86	-
<i>Finance Costs</i>				
Bishwanath Industries Ltd.	-	-	-	33.06
Bishwanath Traders & Investments Ltd.	-	-	-	3.25
Gopala Sales Pvt. Ltd.	-	1.18	-	7.32
<i>Packing Material Purchase</i>				
Gopala Sales Pvt. Ltd.	-	3.94	-	2.07
Govinda Power & Products Pvt. Ltd.	-	8.93	-	-
Income:				
<i>Other Operating Revenues</i>				
Gopala Sales Pvt. Ltd.	-	0.54	-	2.62
Govinda Power & Products Pvt. Ltd.	-	2.40	-	0.64



NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

Nature of transactions	2013-2014		2012-2013	
	Referred in (i) above	Referred in (ii) above	Referred in (i) above	Referred in (ii) above
<i>Other Income</i>				
Gopala Sales Pvt. Ltd.	-	0.60	-	1.08
Govinda Power & Products Pvt. Ltd.	-	0.66	-	0.48
Long Term Borrowings				
Gopala Sales Pvt. Ltd.				
Loan taken	-	15.00	-	55.20
Loan repaid	-	15.00	-	185.20
Closing Balances				
<i>Trade and Other Receivables</i>				
Gopala Sales Pvt. Ltd.	-	0.65	-	1.67
Govinda Power & Products Pvt. Ltd.	-	0.67	-	0.48
<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>Other Current Liabilities</i>				
Gopala Sales Pvt. Ltd.	-	1.06	-	0.01
Mr. N.K. Pasari	0.72	-	0.55	-
Laxmi Traders	-	1.08	-	1.08
Amer Hotels Ltd.	-	0.15	-	0.15
Bishwanath Traders & Investments Ltd.	-	1.63	-	1.63

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



Shree Krishna Paper Mills & Industries Limited

Registered Office: 16, India Exchange Place, Kolkata 700 001
 Corporat Office: 4830/24, Ansari Road, Darya Ganj, New Delhi 110 002
 CIN - L21012WB1972PLC028518
 Tel: 91-11-23261728 Fax: 91-11-23266708
 E-mail: info@skpmil.com, Website: www.skpmil.com

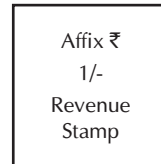
PROXY FORM

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

I/We of
 being a member/ members of the above Company hereby appoint
 of or failing him.....
 of
 as my /our proxy to attend and vote for me /us and on my/our behalf at the 42nd ANNUAL GENERAL MEETING of the Company to be held on Wednesday 10th September, 2014 or at any adjournment thereof at MCC Chamber of Commerce & Industry, 15-B Hemanta Basu Sarani, Kolkata-700001.

Signed this day of2014

*Applicable for Members holding shares in electronic form.



(Signature)

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



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POSITIVE CONSENT LETTER

Dear Shareholder(s)

Sub: Service of Documents through Electronic mode

That the Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the other rules governing the said Act. As per Rule 18(3)(1) of the Chapter VII and Rule 11 of the Chapter IX, the Company is requesting for a Positive Consent from its members to receive Notices of General meeting/Postal Ballot, Annual Report and other shareholders communication. This will enable you to receive Notice(s)/Annual Report(s)/document(s)/communication(s) etc., promptly and without loss in postal transit.

Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Director's Report, Auditor's Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL).

As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/s Link Intime India Private Limited at delhi@linkintime.com OR the Company at info@skpmil.com mentioning your name(s) and folio Number.

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

We look forward to your support.

Thanking you,

Yours faithfully

For Shree Krishna Paper Mills & Industries Ltd.

(CS A. K. Singh)
Company Secretary

To,
M/s Link Intime India Private Limited
Unit. Shree Krishna Paper Mills & Industries Ltd.
C-44, Community Centre, 2nd Floor,
Nariaina Industrial Area, Phase-I,
New Delhi-110028.

Date:

Dear Sir,

As per your letter dated May 29, 2014 I/We submit to you as under:

- 1) I/We hereby give my/our CONSENT to the Company to use my/our registered e-mail id in my/our demat account with the Depository Participant for serving members related documents, under the Companies Act, 2013. (Please tick mark () appropriately)

DPID/CLIENT ID: _____

YES ☐ NO ☐

- 2) Kindly use my/our E-mail ID: _____ for serving the documents for Physical Folio No. _____

YES ☐ NO ☐

Thanking you,

Yours faithfully

Name of Sole/First Holder _____ Signature _____



**Shree Krishna Paper Mills
& Industries Limited**

(An ISO 9001 : 2008 Certified Company)

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