

Annual Report 2018-2019



**Shree Krishna Paper Mills
& Industries Limited**



BOARD OF DIRECTORS

Mr. Narendra Kumar Pasari (Managing Director)
Mr. Bishwanath Pasari
Mr. Lal Chand Sharma
Mr. Prakash Narayan Singh
Mr. Rajesh Mujoo
Mrs. Rakhi Verma

CHIEF FINANCIAL OFFICER

Mr. Sanjiv Kumar Agarwal

COMPANY SECRETARY

Mrs. Sonam Katyal

AUDITORS

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

COST AUDITORS

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

SECRETARIAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

WORKS

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

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110058
Ph. # 011- 49411000
Fax # 011- 41410591
Email Id.: delhi@linkintime.com

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NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Thursday, September 26, 2019 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rakhi Verma (DIN: 07995132), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Narendra Kumar Pasari (DIN: 00101426) as Managing Director and fix his remuneration and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s), enactment(s) or re-enactments(s) thereof for the time being in force) and subject to such approvals, as may be required, consent of the members be and is hereby accorded to the re-appointment of Mr. Narendra Kumar Pasari (DIN: 00101426) as the Managing Director of the Company for a period of three years effective from January 1, 2020 till December 31, 2022, upon the terms and conditions and at such remuneration as recommended by the Nomination and Remuneration Committee, details of which are given hereunder:

- a) **Tenure:** Three years commencing from January 1, 2020 to December 31, 2022.
- b) **Remuneration:**
 - i. Salary: ₹ 3,00,000/- per month with an annual increment of such amount per month as per discretion of the Board or any committee thereof.
 - ii. HRA: @50% of the salary per month
 - iii. Perquisites & other benefits: It shall include medical expenses reimbursement for self and family, leave travel concession for self and family, club fee and personal accident insurance, education expenses, leave encashment, provident fund, gratuity, car, telephone and bonus etc. as per Company's policy as may be amended from time to time.
- c) **Power of Management:** Mr. Narendra Kumar Pasari

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

- d) **Minimum Remuneration:** The remuneration payable to Mr. Narendra Kumar Pasari is subject to overall ceiling under Section II of Part II of Schedule V to the Act. Notwithstanding anything contained hereinabove, in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will pay remuneration by way of salary, allowances and perquisites as specified above as minimum remuneration.
- e) **Termination:** The appointment may be terminated by giving not less than 30 days prior notice in writing in that behalf to the other party or 30 days salary in lieu thereof.
- f) **Other terms and conditions:** Other terms of appointment with Mr. Narendra Kumar Pasari are such as are customarily contained in appointments of a similar nature.

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

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

4. To approve the continuation of directorship of Mr. Bishwanath Pasari (DIN: 00101519) as a Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the members be and is hereby accorded for continuation of Mr. Bishwanath Pasari (DIN: 00101519), who has attained the age of 75 years, as a Director of the Company."



5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and, in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses to M/s. Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No.: 00180) who have been appointed by the Board of Directors of the Company for conducting the audit of cost records of the Company for the financial year ending March 31, 2020.

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

Registered Office: By order of the Board of Directors
4830/24, Prahlad Street, For Shree Krishna Paper Mills & Industries Limited
Ansari Road, Darya Ganj,
New Delhi-110002
CIN: L21012DL1972PLC279773
Tel: 91-11-46263200 Fax: 91-11-23266708
E-mail: info@skpmil.com
Website: www.skpmil.com

Sonam Katyal
Company Secretary
Membership No. 33550

Place: New Delhi
Date: August 12, 2019

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3, 4 and 5 of the notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.**

Pursuant to Section 105 of the Act, a person can act as a Proxy on behalf of not more than fifty members holding

in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy who shall not act as proxy for any other member. A proxy form is annexed to this report.

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

3. Corporate Members intending to send their authorized representatives to attend and vote at the meeting are requested to send a duly certified copy of Board Resolution.
4. **Members, Proxies and Authorized representatives are requested to bring the attendance slips along with their copy of annual report to the meeting.**
5. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Relevant documents, if any, referred to in the notice and in the explanatory statement are open for inspection at the registered office of the Company during the business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting. The above may be treated as an abstract/compliance under section 190 of the Act.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 18, 2019 to September 26, 2019 (both days inclusive) in connection with the Annual General Meeting.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP) with whom they maintain their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Company/Registrar & Share Transfer Agent quoting their folio number and changed details.
9. Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in form no. SH-13, to the RTA of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in form no. SH-14, to the RTA of the Company. These forms will be made available on request.



10. Members holding share certificates under different folio numbers but in the same order of names are requested to apply for consolidation of such folios and send relevant share certificates to the Registrar and Transfer Agent of the Company.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent/the Company.
12. The members may note that, pursuant to SEBI Notification dated June 8, 2018 and press release dated December 3, 2018, transfer of shares (except transmission and transposition of shares) will be in dematerialized form only. Although, the members can continue to hold shares in physical form, they are requested to consider dematerializing the shares held by them in the Company.
13. Electronic copy of the Annual Report 2018-19 including notice of the 47th AGM 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 2018-19 are being sent in the permitted mode. Members are requested to support green initiative by registering/ updating their e-mail addresses with the depository participant (in case of shares in dematerialized form) or with Link Intime India Private Limited (in case of shares held in physical form).
14. Members may also note that the Notice of the 47th Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.skpmil.com for download. For any communication, the shareholders may send request to the Company's email: cs@skpmil.com.
15. The cut-off date for the purpose of determining the members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM is September 19, 2019. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If members opt for remote e-voting, then they should not vote at the meeting and vice versa. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the meeting can attend the meeting and participate in the meeting, but shall not be entitled to cast their vote again.
16. A route map showing directions to reach the venue of the 47th Annual General Meeting is given at the end of the notice as per the requirement of the Secretarial Standards – 2 on "General Meetings".
17. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be passed at the 47th Annual General Meeting (AGM) by electronic means. For this purpose, the Company has made necessary arrangements with Link Intime India Private Limited (LI IPL) for facilitating e-voting.

The instructions for shareholders voting electronically are as under:

 - (i) The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. September 19, 2019.
 - (ii) The voting period begins on Monday, September 23, 2019 (9.00 a.m.) and ends on Wednesday, September 25, 2019 (5.00 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 (record date) of September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.
 1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 2. Click on "Login" tab, available under 'Shareholders' section.
 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
 5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time



or if you are holding shares in physical form, you need to follow the steps given below:

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

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account Number in order to register. If the above-mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Bank Account Number field as mentioned in instruction 4.

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

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

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

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

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

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

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

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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

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

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' file link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

General Guidelines for shareholders:

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

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

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


Other Instructions:

- i. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 19, 2019 may follow the same instructions as mentioned above for e-Voting.
- ii. The facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting.
- iii. The Company has appointed Mr. Manish Kumar Bansal (Advocate), partner of Globiz Partners as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall make a consolidated Scrutinizer's Report of e-voting and the votes in the Annual General Meeting and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- v. The Results declared along with the Scrutinizer's Reports shall be placed on the Company's website www.skpmil.com and on the website of LIPL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall simultaneously be communicated to the Stock Exchange.

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

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

Particulars	Mrs. Rakhi Verma	Mr. Narendra Kumar Pasari	Mr. Bishwanath Pasari
DIN	07995132	00101426	00101519
Date of Birth	25-06-1970	01-10-1955	08-08-1930
Date of Appointment	18-11-2017	11-03-1974	17-12-1980
Qualification	Commerce Graduate	Commerce Graduate	Matriculation
Experience in specific functional areas	More than 25 years of rich experience in the field of Cost Management	Rich experience in the paper industry and allied activities	Rich experience of about 66 years in trading business
Directorship held in other listed entities	NIL	NIL	NIL
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL	NIL	Member of Audit Committee of Bishwanath Traders and Investments Limited
Number of shares held in the Company	NIL	NIL	200
Relationship with any Director(s) of the Company	NIL	He is the son of Shri Bishwanath Pasari, another Director of the Company	He is father of Mr. Narendra Kumar Pasari, Managing Director of the Company

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)
Item No. 3

The members of the Company had appointed Mr. Narendra Kumar Pasari (DIN: 00101426) as the Managing Director of the Company for a period of three years with effect from January 1, 2017. Since the term of his office is going to expire on December 31, 2019, the Board of Directors of the Company at its meeting held on August 12, 2019 has approved the re-appointment of Mr. Narendra Kumar Pasari as the Managing Director of the Company for a period of three years with effect from January 1, 2020 subject to the approval of the members at the ensuing Annual General Meeting of the Company on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee. He is not disqualified from being re-appointed as director in terms of Section 164 of the Companies Act, 2013 ("the Act"). The Board is of opinion that his re-appointment is properly justified, considering his contribution in the growth of the Company.

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

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

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

During the Financial Year 2018-19, he attended all the meetings of the Board of Directors. He is not a member on any Committee of the Board.

None of the Directors, except Mr. Narendra Kumar Pasari and Mr. Bishwanath Pasari, or the Key Managerial Person and their relatives has any nature of concern or interest, financial or otherwise, directly or indirectly in respect of the proposed resolution.

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



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

I. General Information

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

(₹ in lakhs)

Financial Parameters	Year Ended		
	31.03.2019	31.03.2018	31.03.2017
Revenue from operations	14,261.24	13,665.98	13,806.14
Net Profit after tax	450.22	61.84	2,374.09

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

II. Information about the Appointee:

(1) Background details

Mr. Narendra Kumar Pasari, aged about 63 years, is the Managing Director of our Company. He has been actively involved in the affairs of the Company and has always administered his valuable service and significant contributions to the Company. He holds directorship in M/s. Devanshu Infin Limited as its Director other than this Company.

(2) Past remuneration

1. Salary: ₹ 75,000/- per month
2. HRA @50% of the salary per month
3. Perquisites & other benefits: Besides the above gross salary, Mr. Narendra Kumar Pasari was entitled to the perquisites & other benefits which includes medical reimbursement, leave travel concession, leave encashment, gratuity, car, bonus and telephone etc. as per Company's policy as amended from time to time.

(3) Recognition or awards

NIL

(4) Job Profile and his suitability

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

(5) Remuneration proposed

- i. Salary: ₹ 3,00,000/- per month with an annual increment of such amount per month as per discretion of the Board or any committee thereof.
- ii. HRA @50% of the salary per month
- iii. Perquisites & other benefits: It shall include medical expenses reimbursement for self and family, leave travel concession for self and family, club fee and personal accident insurance, education expenses, leave encashment, provident fund, gratuity, car, telephone and bonus etc. as per Company's policy as may be amended from time to time.

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

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

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

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

III. Other Information:

- (1) Reasons of loss or inadequate profits

During the last quarter, the performance of the Company was affected due to sharp reduction in sales price of major finished product i.e. newsprint paper while there was no such corresponding decrease in the raw material cost.

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

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.

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

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

IV. Disclosures:

- (1) Remuneration package of the managerial person: Fully described in the notice as stated above.
- (2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2018-19: The requisite details of remuneration etc. of Managing Director are included in the Corporate Governance Report, forming part of the Annual Report of FY 2018-19 of the Company.



Item No. 4

As per the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years.

Our non-executive Director, Mr. Bishwanath Pasari have attained the age of 75 years and the Board has approved the continuation of their directorship subject to the passing of special resolution by the shareholders.

Mr. Bishwanath Pasari, is a Non-Executive Director of our Company and was appointed on the Board in 1980. The incumbent is in good physical condition and of sound and alert mind and the Board is confident about him being able to function and discharge his duties in an able and competent manner. Considering his seniority, expertise and vast experience, which has benefited the Company immensely, the Board recommends his continuation as director.

Except, Mr. Narendra Kumar Pasari, who is the son of Mr. Bishwanath Pasari, none of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

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

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vijender Sharma & Co., Cost Accountants, Delhi to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, at a remuneration of ₹ 75,000/- per annum plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the audit, subject to ratification by members.

In terms of the provisions of Section 148 (3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors during the year 2019-20 as set out in the resolution for the aforesaid services to be rendered by them.

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

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

Registered Office:

4830/24, Prahlad Street,
Ansari Road, Darya Ganj,
New Delhi-110002

CIN: L21012DL1972PLC279773

Tel: 91-11-46263200 Fax: 91-11-23266708

E-mail: info@skpmil.com

Website: www.skpmil.com

By order of the Board of Directors

For Shree Krishna Paper Mills & Industries Limited

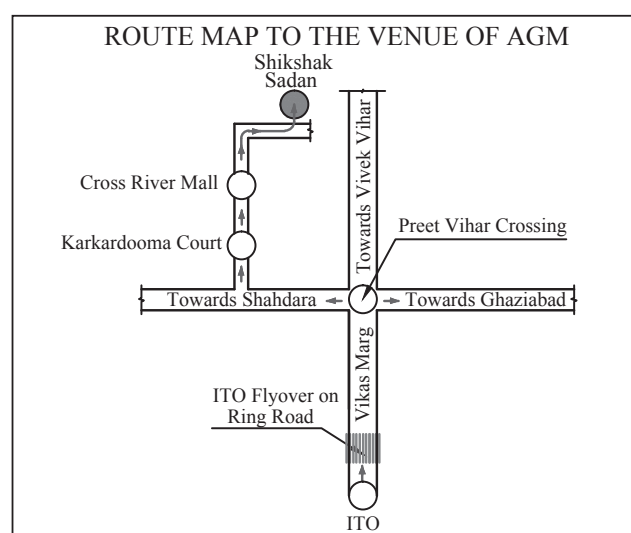
Sonam Katyal

Company Secretary

Membership No. 33550

Place: New Delhi

Date: August 12, 2019



**DIRECTORS' REPORT**

To the Members,

The Directors of your Company are pleased to present the 47th Annual Report together with the Audited Financial Statements for the year ended on March 31, 2019.

FINANCIAL RESULTS

The financial performance of the Company for the year ended on March 31, 2019 is summarised below:

(₹ in Lakhs)

	2018-19	2017-18
Revenue from Operations (Net)	14,261.24	13,665.98
Profit/(Loss) before exceptional items and tax	597.06	(376.14)
Exceptional items	-	539.83
Profit before tax	597.06	163.69
Less: Tax expense	146.84	101.85
Profit for the year	450.22	61.84
Other Comprehensive Income	44.45	13.85
Total Comprehensive Income	494.67	75.69

During the year under review, the revenue from operations was ₹ 14,261.24 lakhs against ₹ 13,665.98 lakhs in the last financial year. The Company has earned profit before tax of ₹ 597.06 lakhs against ₹ 163.69 lakhs in last year. The performance of the Company has been improved as a result of increase in the selling price of major finished product i.e. newsprint paper during some quarters of the year without having corresponding change in the cost of raw material. Further, your directors are hopeful for better performance in the coming years.

DIVIDEND

The Directors have decided not to recommend any dividend for the year under review and plough back the profits to increase the wealth of the shareholders.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2019 was ₹1,352.17 lakhs. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme.

LISTING ON STOCK EXCHANGES

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

PUBLIC DEPOSITS

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed herewith as 'Annexure-A' and is also available on the Company's website: www.skpmil.com at the link: <http://www.skpmil.com/pagepdf/1565263276.pdf>

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year, the Company has regularized the appointment of Mrs. Rakhi Verma (DIN: 07995132) as a Woman Director at the Annual General Meeting held on September 28, 2018 who was appointed as an Additional Director on November 18, 2017.

Pursuant to the terms of appointment, the office of Mr. Narendra Kumar Pasari as Managing Director will expire on December 31, 2019. As recommended by the Nomination and Remuneration Committee, the Board has reappointed Mr. Narendra Kumar Pasari as Managing Director (Key Managerial Personnel) to hold office with effect from January 1, 2020 for a period of 3 years and have also revised his remuneration on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the members. A resolution in this regard is contained in the notice of the Annual General Meeting.

As per the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["SEBI (LODR) Regulations"], approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years. Our non-executive Director, Mr. Bishwanath Pasari have attained the age of 75 years and the Board has approved the continuation of their directorship



subject to the passing of special resolution by the shareholders. He is in good physical condition and of sound and alert mind and the Board is confident about him being able to function and discharge his duties in an able and competent manner. Considering his seniority, expertise and vast experience, which has benefited the Company immensely, the Board recommends his continuation as director of the Company.

In accordance with the provisions of the Act and Articles of Association of the Company, Mrs. Rakhi Verma (DIN: 07995132), Non-Executive Director of the Company retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Narendra Kumar Pasari, Managing Director, Mr. Sanjiv Kumar Agarwal, Chief Financial Officer and Mrs. Sonam Katyal, Company Secretary.

The information on the particulars of Director eligible for appointment in terms of Regulation 36(3) of SEBI (LODR) Regulations has been provided in the notes to the notice convening the Annual General Meeting.

Declaration by Independent Directors

Pursuant to the provisions of section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, all Independent Directors have given declarations that they meet the criteria of independence.

Board Evaluation

To comply with the provisions of Section 134 (3)(p) of the Act and the rules made thereunder, and Regulation 17(10) of SEBI (LODR) Regulations, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole and following Committees of the Board of Directors:

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

The manner in which the annual performance evaluation has been carried out is explained in the Corporate Governance Report. Board is responsible to monitor and review Directors' Evaluation framework.

Further, to comply with Regulation 25 (4) of SEBI (LODR) Regulations, Independent Directors also evaluated the performance of Non-Independent Directors and Board as a whole at a separate meeting of Independent Directors.

Remuneration Policy

To comply with the provisions of Section 178 of the Act read with Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's Remuneration

Policy for Directors, Key Managerial Personnel and Senior Management is uploaded on the website of the Company at <http://www.skpmil.com/pagepdf/1565260000.pdf>

Board Meetings

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

Composition of Audit Committee

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company has a Corporate Social Responsibility Policy which is uploaded on the website of the Company and can be accessed through the web link <http://www.skpmil.com/pagepdf/1502951707.pdf>

Annual report on CSR activities for the financial year 2018-19 as required under Section 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached with this report as 'Annexure – B'.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the year ended on March 31, 2019, the applicable accounting standards have been followed and there is no material departure from the same;
- ii) the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended on March 31, 2019 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal



financial controls are adequate and are operating effectively; and

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

SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

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

CORPORATE DEBT RESTRUCTURING

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

RISK MANAGEMENT POLICY

Your Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions.

INTERNAL FINANCIAL CONTROLS

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

CURRENT OUTLOOK

The future prospects of the Indian paper industry are positive due to the expected surge in demand in the huge domestic markets. The demand drivers and growth triggers have come from a combination of factors such as continuous demand for education and literacy, increasing organised retail sector, growth in eCommerce, FMCG, demand of quality packaging, increment in demand of eco-friendly paper bags replacing plastic bags and continuously increasing demand of ready-to-eat food etc. Hence, there is enormous potential for the paper industry in the country.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached with this report as 'Annexure-C'.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Members in their 43rd Annual General Meeting (AGM) held on September 29, 2015 appointed M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) as Statutory Auditors of the Company to hold office till the conclusion of the 48th AGM of the Company, subject to ratification by the members at every AGM of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted. Accordingly, the Notice of ensuing AGM does not include the proposal for seeking approval of members for ratification of appointment of Statutory Auditors of the Company.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2018-19 does not contain any qualification, reservation or adverse remark.

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

Cost Auditors

In terms of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board has, on the recommendation of Audit Committee, approved the appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No. 00180) to carry out the cost audit of Company's records for the financial year 2019-20, at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the aforesaid audit. The remuneration proposed to be paid to them requires ratification by the members of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

The Cost Audit Report for the financial year ended on March 31, 2018 has been filed under XBRL mode within the stipulated time period.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s. BLAK & Co., Company Secretaries, Delhi to conduct the secretarial audit of the Company for the financial year ended on March 31, 2019. The Secretarial Audit Report submitted by them is annexed herewith as 'Annexure-D'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Internal Auditors**

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

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

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

RELATED PARTY TRANSACTIONS

To comply with the requirements laid down in SEBI (LODR) Regulations, all related party transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which were of repetitive nature.

All contracts / arrangements / transactions entered into by the Company with related parties were in the ordinary course of business and on arm's length basis. During the year under review, your Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company for related party transactions.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in note no. 57 of the Financial Statements, forming part of the Annual Report.

Your Company has framed a policy on related party transactions in accordance with SEBI (LODR) Regulations and as per the amended provisions of the Act. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The policy on related party transactions as approved by the Board is also uploaded on the Company's website at www.skpmil.com.

Since all transactions which were entered into during the financial year 2018-19 were on arm's length basis and in the ordinary course of business and there was no material related party transaction, no detail is required to be provided in Form AOC-2 prescribed under Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

To comply with the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for employees of the Company. The policy provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provides

a direct access to the Chairperson of the Audit Committee, in exceptional cases. The main objective of this policy is to provide a platform to the Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company which have a negative bearing on the organization either financially or otherwise. During the year under review, no complaint under the Whistle Blower Policy was received. The Vigil Mechanism (Whistle Blower Policy) is available on Company's website: www.skpmil.com at <http://www.skpmil.com/pagepdf/1565259913.pdf> link.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to its requirements set out by Securities and Exchange Board of India. A separate report on Management Discussion and Analysis, Corporate Governance along with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Schedule V to the SEBI (LODR) Regulations forms part of this Annual Report.

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

To comply with provisions of Section 134 of the Act and rules made there under, your Company has duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no case was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

The information required to be disclosed in the Board's Report pursuant to Section 197(12) of the Act read with Rule 5 (1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached with this report as 'Annexure – E'.

GENERAL

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

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



4. No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.
5. The Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the various Government Authorities, the Banks and other stakeholders such as members, customers and suppliers, among others. Your Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. Your Directors look forward to their continued support in future.

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Rakhi Verma
Director
DIN: 07995132

Narendra Kumar Pasari
Managing Director
DIN: 00101426

Place: New Delhi

Date: August 12, 2019

**ANNEXURE 'A'**

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

(i)	CIN	L21012DL1972PLC279773
(ii)	Registration Date	14-09-1972
(iii)	Name of the Company	Shree Krishna Paper Mills & Industries Limited
(iv)	Category/Sub-category of the Company	Company Limited by Shares
(v)	Address of the Registered Office and contact details	4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002 Phone: 91-11-46263200, 23261728 Fax: 91-11-23266708 E-mail: cs@skpmil.com, info@skpmil.com Website: www.skpmil.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of the Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market Janakpuri, New Delhi - 110058 Ph: 011- 49411000 Fax: 011- 41410591 Email: delhi@linkintime.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Newsprint Paper	17012	75.73
2	Coloured Kraft Paper	17015	15.14

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

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



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	-	47,40,480	47,40,480	35.06	-	47,40,480	47,40,480	35.06	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies corp.									
i) Indian	24,36,701	14,00,800	38,37,501	28.38	24,37,742	14,00,800	38,38,542	28.39	0.01
ii) Overseas	-	12,00,000	12,00,000	8.88	-	12,00,000	12,00,000	8.88	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	2,95,764	1,80,883	4,76,647	3.53	2,70,953	1,72,663	4,43,616	3.28	(0.25)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2,82,421	-	2,82,421	2.09	2,78,982	-	2,78,982	2.06	(0.03)
c) Others									
i) Clearing Member	1,315	-	1,315	0.01	795	-	795	0.01	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) HUF	12,813	-	12,813	0.09	48,762	-	48,762	0.36	0.27
iii) Non-Resident Indian	303	20,00,000	20,00,303	14.79	303	20,00,000	20,00,303	14.79	-
Sub-total (B)(2):	30,29,317	47,81,683	78,11,000	57.77	30,37,537	47,73,463	78,11,000	57.77	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	30,29,317	47,81,683	78,11,000	57.77	30,37,537	47,73,463	78,11,000	57.77	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,29,517	1,04,92,163	1,35,21,680	100.00	30,37,737	1,04,83,943	1,35,21,680	100.00	-

ii) Shareholding of Promoters

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

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

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vijay Kumar Gupta				
	at the beginning of the year	20,00,000	14.79	20,00,000	14.79
	Increase/Decrease during the year	-	-	20,00,000	14.79
	at the end of the year			20,00,000	14.79



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
2	Govinda Power & Products Pvt Ltd				
	at the beginning of the year	14,00,000	10.35	14,00,000	10.35
	Increase/Decrease during the year	-	-	14,00,000	10.35
	at the end of the year			14,00,000	10.35
3	WPS PTE Ltd				
	at the beginning of the year	12,00,000	8.88	12,00,000	8.88
	Increase/Decrease during the year	-	-	12,00,000	8.88
	at the end of the year			12,00,000	8.88
4	SKCS Finvest Pvt Ltd				
	at the beginning of the year	10,14,850	7.51	10,14,850	7.51
	Increase/Decrease during the year	-	-	10,14,850	7.51
	at the end of the year			10,14,850	7.51
5	Gopala Sales Pvt Ltd				
	at the beginning of the year	7,50,000	5.55	7,50,000	5.55
	Increase/Decrease during the year	-	-	7,50,000	5.55
	at the end of the year			7,50,000	5.55
6	Global Manufacturers & Products Pvt Ltd				
	at the beginning of the year	6,60,000	4.88	6,60,000	4.88
	Increase/Decrease during the year	-	-	6,60,000	4.88
	at the end of the year			6,60,000	4.88
7	Vardhman Arvind Sancheti				
	at the beginning of the year	79,031	0.58	79,031	0.58
	purchased 3997 shares on 25.05.2018			83,028	0.61
	at the end of the year			83,028	0.61
8	Arvind Kumar Sancheti				
	at the beginning of the year	58,357	0.43	58,357	0.43
	purchased 400 shares on 11.05.2018	-	-	58,757	0.43
	purchased 1441 shares on 18.05.2018	-	-	60,198	0.44
	purchased 2346 shares on 30.11.2018	-	-	62,544	0.46
	at the end of the year			62,544	0.46
9	Pushpa Lata Gupta				
	at the beginning of the year	36,400	0.27	36,400	0.27
	Increase/Decrease during the year	-	-	36,400	0.27
	at the end of the year			36,400	0.27
10	Sangeetha S				
	at the beginning of the year	33,250	0.25	33,250	0.25
	Increase/Decrease during the year	-	-	33,250	0.25
	at the end of the year			33,250	0.25



(v) Shareholding of Directors and Key Managerial Personnel:

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

V INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,751.50	324.27	-	2,075.77
ii) Interest due but not paid	146.60	-	-	146.60
iii) Interest accrued but not due	12.06	-	-	12.06
Total (i+ii+iii)	1,910.16	324.27	-	2,234.43
Change in Indebtedness during the financial year				
Additions	101.23	58.37	-	159.60
Reduction	13.19	60.94	-	74.13
Net Change	88.04	-2.57	-	85.47
Indebtedness at the end of the financial year				
i) Principal Amount	1,835.67	321.70	-	2,157.37
ii) Interest due but not paid	162.53	-	-	162.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,998.20	321.70	-	2,319.90

Notes:**Secured Loans consist of:**

- 1 Vehicle Loan which is shown under Non-Current Financial Liabilities - Borrowings in the Balance Sheet.
- 2 Cash Credit Facilities from Banks which is shown under Current Financial Liabilities - Borrowings in the Balance Sheet.
- 3 Current maturities of long term debts (Vehicle Loan) which is shown under Current Financial Liabilities - Others in the Balance Sheet.
- 4 Interest accrued which is shown under Current Financial Liabilities - Others in the Balance Sheet.

Unsecured Loans consist of:

- 1 Loans from related parties which is shown under Non-Current Financial Liabilities - Borrowings in the Balance Sheet.
- 2 Current maturities of long term debts which is shown under Current Financial Liabilities - Others in the Balance Sheet.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. Narendra Kumar Pasari	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	14.61	14.61
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.39	0.39
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-



(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. Narendra Kumar Pasari	
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	Others (specify)	-	-
5	Others - P.F. Contribution	1.08	1.08
	Total (A)	16.08	16.08
	Ceiling as per the Act		84.00

B. Remuneration to other directors

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Prakash Narayan Singh	Mr. Lal Chand Sharma	Mr. Rajesh Mujoo	
1	Independent Directors				
	(a) Fee for attending board/committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors		Mr. Bishwanath Pasari	Mrs. Rakhi Verma	
	(a) Fee for attending board/committee meetings		-	-	-
	(b) Commission		-	-	-
	(c) Others, please specify		-	-	-
	Total (2)		-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Mrs. Sonam Katyal	Mr. Sanjiv Kumar Agarwal	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4.58	12.14	16.72
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others - P.F. Contribution	0.22	0.89	1.11
	Total	4.80	13.03	17.83


VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Rakhi Verma
Director
DIN: 07995132

Narendra Kumar Pasari
Managing Director
DIN: 00101426

Place: New Delhi
Date: August 12, 2019



ANNEXURE 'B'

ANNUAL REPORT ON CSR ACTIVITIES

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

CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. Our CSR approach focuses on development of communities around the vicinity of our plant.

The CSR Policy of the Company is available on the Company's website on the weblink:

<http://www.skpmil.com/pagepdf/1502951707.pdf>

2. The Composition of the CSR Committee:

Name of the member	Designation
Mr. Rajesh Mujoo	Chairman
Mr. Prakash Narayan Singh	Member
Mrs. Rakhi Verma	Member

3. Average net profit of the Company for last three financial years: ₹ 777.66 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 15.55 Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; ₹ 15.55 Lakhs

(b) Amount unspent, if any; NIL

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

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project/ activity	Sector in which the Project is covered	State and district where projects or program was undertaken	Amount outlay (budget)	Amount spent	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Water conservation program by construction of recharge structures for rain water harvesting	Ensuring Environmental Sustainability	Kotputli, Jaipur (Rajasthan)	35.40	35.40	35.40	Direct
	TOTAL			35.40	35.40	35.40	

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

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

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

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

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Narendra Kumar Pasari
Managing Director
DIN: 00101426

Rajesh Mujoo
Chairman, CSR Committee
DIN: 07751945

Place: New Delhi
Date: August 12, 2019



ANNEXURE 'C'

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

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

(A) CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy;
 1. Installation of micron filter to use the ETP water in plant for saving of water and energy.
 2. Conversion of the connection from cable to bus bar in transformer to save energy and increasing the life.
 3. Advance technology vacuum pumps are being installed for saving power as well as better performance.
 4. Installation of Belt press for sludge thickening.
- (ii) The steps taken by the company for utilising alternate sources of energy;
NIL
- (iii) The capital investment on energy conservation equipment;
Capital investment of ₹ 279.13 Lakhs

(B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
 1. A PDF is being installed at paper machine to reuse the waste water in the plant as well as recovery of fibre.
 2. A film press is being designed to improve the quantity of production.
 3. Installation of 2 new decanters for thickening ETP sludge resulting in reduction of load on ETP and getting clear water.
 4. Redesigning and installation of pulp mill screen to increase pulp mill capacity.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
Quantity and quality enhancement along with reduction of cost reduction are the few benefits which have been derived as a result of above efforts.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - (a) the details of technology imported;

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

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

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

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

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	: Nil
Outgo	: ₹ 2,126.77 lakhs

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Rakhi Verma
Director
DIN: 07995132

Narendra Kumar Pasari
Managing Director
DIN: 00101426

Place: New Delhi
Date: August 12, 2019



ANNEXURE 'D'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of applicable following laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (v) The other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us:
 - a) Goods & Service Tax Act, 2017
 - b) Custom Act, 1962

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

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

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

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

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

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(As there was no event/action in this regard during the Year under Audit)**
- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing obligations Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(As there was no event/action in this regard during the Year under Audit)**
 - c) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations 2011. **(As there was no event/action in this regard during the Year under Audit)**



- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (share based Employees Benefits) Regulations, 2018
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(As there was no event/action in this regard during the Year under Audit)**
- g) The Securities and Exchange Board of India (Issue and Listing of Nonconvertible and Redeemable Preference shares) Regulations, 2013; **(As there was no event/action in this regard during the Year under Audit)**
- h) The Securities and Exchange Board of India (prohibition of insider Trading) Regulations 2015; **(As there was no event/action in this regard during the Year under Audit)**

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

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

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

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

for BLAK & CO.
Company Secretaries

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

Place: New Delhi
Date : 20.05.2019

ANNEXURE 'I'

Our report of even date is to be read along with this letter.

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

for BLAK & CO.
Company Secretaries

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

Place: New Delhi
Date : 20.05.2019

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

**ANNEXURE 'E (I)'**

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19;

S. No.	Name of Director and Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Narendra Kumar Pasari Managing Director	8.15 : 1.00

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19;

S. No.	Name of Director/ KMP	Designation	Percentage increase in Remuneration of Directors/ KMP
1	Mr. Narendra Kumar Pasari	Managing Director	4.27
2	Mr. Sanjiv Kumar Agarwal	Chief Financial Officer	10.62
3	Mrs. Sonam Katyal	Company Secretary	12.94

- (iii) The percentage increase in the median remuneration of employees in the financial year 2018-19;
8.66

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

276 as on March 31, 2019

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 13.96 % whereas the managerial remuneration was increased by 4.27% for the same financial year. There is no major change in the remuneration of managerial personnel.

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

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

ANNEXURE 'E (II)'

Statement showing the names and other particulars of the top ten employees in terms of remuneration drawn during the financial year 2018-19 as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (designation wise)

S. No.	Name and age	Designation	Remuneration (in Lakhs)	Qualification and Experience	Date of commencement of employment	Last employment held
1	Narendra Kumar Pasari (63 Years)	Managing Director	16.08	B. Com, 45 Years	11-03-1974	-
2	Dev Kishan Chanda (70 Years)	President	14.56	B. Com, 50 Years	01-04-1980	Rallis India Limited
3	Ashok Kumar Sharma (69 Years)	Sr. Vice President (L & CA)	13.83	B.Sc., LL.B., 47 Years	05-04-2000	Jindal Photofilms Ltd.
4	Sanjiv Kumar Agarwal (51 Years)	Chief Financial Officer	13.03	B. Com, FCA, 27 Years	03-05-1993	Mehra Goel & Co.
5	Satish Paliwal (50 Years)	CGM (Process)	10.77	Diploma in Paper & Pulp, 29 Years	08-11-2005	ABC Paper Mills Limited
6	Ram Avtar Goel (62 Years)	General Manager (Purchase)	8.07	B. Sc., 38 Years	28-12-2005	Modi Alkalies & Chemical Limited
7	Man Singh (61 Years)	Sr. Manager (Sales)	7.92	Matriculation, 41 Years	01-08-1981	Bishwanath Industries Limited
8	Harish Chander (55 Years)	Sr. Manager (Commercial)	7.60	B. Com, 35 Years	01-09-1984	-
9	Dharambir Singh (50 Years)	Sr. Manager (Mechanical)	7.35	Diploma in Mechanical Engineering, 30 Years	13-01-2010	Rama News Print Limited
10	Satya Narayan Sharma (58 Years)	Sr. Manager (Mechanical)	6.97	Draughtsman (Mechanical), 37 Years	20-11-2006	Pitamber Coated Papers Ltd.

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Place: New Delhi
Date: August 12, 2019

Rakhi Verma
Director
DIN: 07995132

Narendra Kumar Pasari
Managing Director
DIN: 00101426



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The paper industry is one of the most energy intensive industries in India and it is ranked as 12th largest in the world. The paper industry is classified into four segments: Writing & Printing, Packaging Paper & Board, Speciality Paper and Newsprint. There are about 800 units engaged in the manufacture of paper, paperboards, and newsprint in India using a variety of raw materials such as wood, agro residues, waste paper etc. The installed capacity for paper production in India is 25 Million Tonnes and it is expected the annual production will reach to 30 Million Tonnes by the year 2030, as there are many mills which are going for expansion by installing new production facilities or by modernization of the existing plant.

OPPORTUNITIES AND THREATS

The Indian Paper & Paperboard industry is one of the oldest organised manufacturing industries in India. The country's rising literacy rate has increased the demand for books and textbooks. Also, India's booming e-commerce and retail sectors have accelerated consumption of paperboard & packaging. Furthermore, growing awareness about hazards of plastic packaging has provided an additional fillip to paper-based alternatives. While demand has been steadily increasing owing to above mentioned factors, Indian paper companies will be able to earn profit from rising demand over the period.

Although the growth drivers for Indian paper remain strong, there are various barriers in way of the perceived growth such as stiff global competition from overseas suppliers, the steady rise in commodity prices, requirement of technological upgradation, fast-emerging digital revolution and environmental issues especially in context of upcoming stringent norms. As such, there is a need for industry to be more proactive as well as to gear-up to become technologically and environmentally sustainable and globally competitive.

OUTLOOK

The future prospects of the Indian paper industry are positive due to the expected surge in demand in the huge domestic markets. The demand drivers and growth triggers have come from a combination of factors such as continuous demand for education and literacy, increasing organised retail sector, growth in eCommerce, FMCG, demand of quality packaging, increment in demand of eco-friendly paper bags replacing plastic bags and continuously increasing demand of ready-to-eat food etc. Hence, there is enormous potential for the paper industry in the country.

RISKS & CONCERNS

Risks and opportunities are inevitable and inseparable components of all businesses. The Company's Directors and management take proactive decisions to protect stakeholder interests. The Company has in place a Risk Management Policy which is monitored and reviewed on a regular basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well-equipped and operative internal control systems in place commensurate to the size of its business and nature of the industry in which it operates. These stringent and comprehensive controls put in place ensures optimal and efficient utilization of resources to an extent that the assets and interests of the Company are safeguarded, transactions are authorized, recorded and properly reported, and reliability and correctness of accounting data is warranted with checks and balances. An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The Company has appointed M/s. GAMS & Associates LLP, Chartered Accountants to verify and report on the efficiency and effectiveness of internal control systems.

FINANCIAL PERFORMANCE

During the year under review, the revenue from operations was ₹ 14,261.24 lakhs against ₹ 13,665.98 lakhs in the last financial year. The Company has earned profit before tax of ₹ 597.06 lakhs against ₹ 163.69 lakhs in last year. The performance of the Company has been improved as a result of increase in the selling price of major finished product i.e. newsprint paper during some quarters of the year without having corresponding change in the cost of raw material. Further, your directors are hopeful for better performance in the coming years.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company recognizes that the employees are the most valuable resource and endeavours to empower its employees to meet business excellence while meeting their career aspirations. A significant emphasis is placed on training personnel, increasing their skill levels, and fostering ongoing employee engagement. During the year, industrial relations were cordial. The Company had 276 employees on its payrolls as on March 31, 2019.

**KEY FINANCIAL RATIOS**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Following are the key financial ratios:

Particulars	2018-19	2017-18
Price Earnings Ratio	9.01	68.48
Debtors Turnover Ratio	7.66	7.26
Inventory Turnover Ratio	9.25	12.27
Interest Coverage Ratio	3.83	1.61
Current Ratio	0.95	0.89
Debt Equity Ratio	1.92	2.23
Operating Profit Margin (%)	5.66	3.16
Net Profit Margin (%)	3.16	0.45
Return on Net Worth	0.20	0.03

Reason for significant change:

- Price Earning (PE) Ratio has been decreased on account of increase in net profit and nominal change in market price per share.
- Interest Coverage Ratio has been increased on account of increase in EBIT & lower interest expense.
- There is an increase in Operating Profit Margin and Net Profit Margin on account of higher profit earned during the year.
- Substantial increase in Operating/Net Profit Margin has resulted into increase in return on net worth.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or forecasts may be 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in the statements due to factors such as market conditions, input costs, changes in the regulations, economic development within/outside country etc.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. At SKPMIL, it is imperative that your Company affairs are being managed in a fair and transparent manner.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. The Company has taken various initiatives towards maintaining the highest standards of governance by implementing the code of Corporate Governance in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["SEBI (LODR) Regulations"].

2. BOARD OF DIRECTORS

i) Composition

The Composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations read with Section 149 of the Companies Act, 2013 ("the Act") comprising six Directors, out of which 1 is Executive Director, 2 are Non-Executive Directors including one Woman Director and 3 are Independent Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI (LODR) Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. No Director holds directorship in any other listed entity. None of the Independent Directors serves as an independent director on more than seven listed entities. Further, none of the Directors is a member of more than 10 committees and Chairperson of more than 5

committees across all the Public Companies in which he/she is a Director.

The details of composition of the Board as on March 31, 2019, the attendance record of the Directors at the Board Meetings held during financial year 2018-19 and at the last AGM, as also the number of Directorship(s)/ Committee Chairmanship(s) / Membership(s) held by them in other Public Companies along with shareholding of non-executive directors are given below:

Name/Designation of Directors	Category	No. of Position held in other companies			No. of Board Meetings Attended	Attendance at last AGM	No. of shares held by Non- Executive Directors (as on 31.03.2019)
		Directorship	Committee\$				
			Member	Chairman			
Mr. Narendra Kumar Pasari (Managing Director)	ED (P)	1	-	-	14	No	N.A.
Mr. Bishwanath Pasari	NED (P)	4	1	-	4	No	200
Mr. Lal Chand Sharma	NED (I)	-	-	-	4	No	-
Mr. Prakash Narayan Singh	NED (I)	1	-	-	14	No	-
Mr. Rajesh Mujoo	NED (I)	-	-	-	14	No	-
Mrs. Rakhi Verma	NED	-	-	-	14	Yes	-

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

ED (P) – Executive Director (Promoter)

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

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

ii) Meetings of Board of Directors

The Board of Directors met fourteen times during the financial year 2018-19. The dates on which the Board meetings were held are as follows:

(i) April 26, 2018 (ii) May 30, 2018 (iii) June 25, 2018 (iv) July 5, 2018 (v) August 8, 2018 (vi) August 13, 2018 (vii) September 17, 2018 (viii) October 23, 2018 (ix) November 14, 2018 (x) December 20, 2018 (xi) January 24, 2019 (xii) February 14, 2019 (xiii) March 9, 2019 and (xiv) March 27, 2019. The maximum time gap between any two Board Meetings was 35 days. The necessary quorum was present for all the meetings.

All relevant information as required under Schedule II of the SEBI (LODR) Regulations was placed before the Board from time to time.

iii) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.



iv) Performance evaluation

Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. The evaluation process primarily focussed on factors such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

v) Appointment and Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on August 13, 2018 without the presence of Non-Independent Directors and Members of the Management in compliance with Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Management and the Board. All Independent Directors were present in the meeting.

vi) Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. Periodical presentations are made to the Independent Directors on various matters inter-alia covering the Company's operations, industry and regulatory updates, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarisation programme for Directors are available on the Company's website at www.skpmil.com at <http://www.skpmil.com/pagepdf/1565263032.pdf> link.

3. AUDIT COMMITTEE

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI (LODR) Regulations.

The Committee consists of 3 Independent Directors who are financially literate and bring in expertise in the fields of finance and taxation. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Audit Committee invites Chief Financial Officer, other senior executives and

representatives of auditors to be present at its meetings. The Company Secretary acts as the Secretary of the Audit Committee.

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

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

In addition, the Committee has discharged such other role/ function as envisaged under Regulation 18 of the SEBI (LODR) Regulations and the provisions of Section 177 of the Act.

The composition and the details of meetings attended by the members of the Audit Committee for the financial year 2018-19 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Prakash Narayan Singh	Chairman	NED (I)	6
2	Mr. Lal Chand Sharma	Member	NED (I)	4
3	Mr. Rajesh Mujoo	Member	NED (I)	6

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

The Audit Committee met six times during the year 2018-19 on (i) April 26, 2018 (ii) May 30, 2018 (iii) August 13, 2018 (iv) September 17, 2018 (v) November 14, 2018 and (vi) February 14, 2019. The necessary quorum was present at the meetings.



4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed in compliance with the Regulation 20 of the SEBI (LODR) Regulations read with Section 178 of the Act. Mrs. Sonam Katyal, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

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

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- to review measures taken for effective exercise of voting rights by shareholders;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- to review of the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the members during the financial year 2018-19 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Prakash Narayan Singh	Chairman	NED (I)	4
2	Mr. Rajesh Mujoo	Member	NED (I)	4
3	Mrs. Rakhi Verma	Member	NED	4

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

During the year 2018-19, four meetings of the Stakeholders' Relationship Committee were held on (i) April 26, 2018 (ii) August 13, 2018 (iii) December 20, 2018 and (iv) March 27, 2019.

- No. of investors' complaints received during the year: Nil
- No. of complaints not solved to the satisfaction of shareholders during the year: Nil
- No. of complaints pending as at March 31, 2019: Nil (other than those which are under litigation, disputes or court orders)

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been formed in compliance with the Regulation 19 of the SEBI (LODR) Regulations read with Section 178 of the Act. It consists of 3 Non-Executive Directors out of which 2 are Independent Directors.

The terms of reference of the Nomination and Remuneration

Committee, inter alia, include the following:

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

The composition of the Nomination and Remuneration Committee and the details of meeting attended by the members during the financial year 2018-19 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Mujoo	Chairman	NED (I)	4
2	Mr. Prakash Narayan Singh	Member	NED (I)	4
3	Mrs. Rakhi Verma	Member	NED	4

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

During the year 2018-19, four meetings of the Nomination and Remuneration Committee were held on (i) May 30, 2018 (ii) August 13, 2018 (iii) December 20, 2018 and (iv) February 14, 2019.

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which is displayed on the Company's website www.skpmil.com

6. REMUNERATION TO DIRECTORS

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

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

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

(iii) Remuneration to Managing Director

The details of remuneration paid to Mr. Narendra Kumar Pasari, Managing Director during the year ended March 31, 2019 is as under:

(Amount in ₹)

Basic Salary	HRA	Perquisites	Bonus	Medical Allowance	Others- Contribution to PF	Total
9,00,000	4,50,000	39,600	74,970	35,880	1,08,000	16,08,450



7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of Section 135 of the Act, the Company has constituted a CSR Committee comprising Mr. Rajesh Mujoo, Independent Director as its Chairman, Mr. Prakash Narayan Singh, Independent Director and Mrs. Rakhi Verma, Non-Executive Director, as its members.

The broad terms of reference of the CSR Committee are as under:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- To provide recommendation and guidance on various CSR activities to be undertaken including the amount of expenditure to be incurred by the Company and to monitor the process.

The composition of the Corporate Social Responsibility Committee and the details of meeting attended by the members during the financial year 2018-19 are given below:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Mujoo	Chairman	NED (I)	4
2	Mr. Prakash Narayan Singh	Member	NED (I)	4
3	Mrs. Rakhi Verma	Member	NED	4

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

During the year 2018-19, four meetings of the Corporate Social Responsibility Committee were held on (i) May 30, 2018 (ii) August 13, 2018 (iii) December 20, 2018 and (iv) February 14, 2019.

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

9. RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, the Company Secretary in practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form and the total issued/paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and in physical form.

10. CEO/CFO CERTIFICATION

To comply with Regulation 17(8) of SEBI (LODR) Regulations,

the Managing Director and the Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II of the said regulations.

To comply with Regulation 33(2) (a) of SEBI (LODR) Regulations, the Managing Director & the CFO have certified the Quarterly Financial Results while placing the Financial Results before the Board.

11. CODE OF CONDUCT

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

12. GENERAL MEETINGS

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

AGM Date & Time	Venue of Meeting	Special Resolution Passed
29-09-2016 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	Reappointment of Mr. Narendra Kumar Pasari as Managing Director and fixing his remuneration
26-09-2017 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	-
28-09-2018 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	-

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

13. MEANS OF COMMUNICATION

The Company constantly communicates to the investors about the operations and financial results of the Company. Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good governance practice which Company follows:

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

The Company's website www.skpmil.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The financial results and the Annual Report of the Company are available on the website.



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

14. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date : September 26, 2019
 Day : Thursday
 Time : 10.30 a.m.
 Venue : Shikshak Sadan
 Surajmal Vihar
 Delhi - 110092

ii) Financial Year

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

iii) Financial Calendar (Tentative)

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending June 30, 2019	On or before August 14, 2019
* Quarter ending September 30, 2019	On or before November 14, 2019
* Quarter ending December 31, 2019	On or before February 14, 2020
* Quarter ending March 31, 2020	On or before May 30, 2020

iv) Book Closure Date

September 18, 2019 to September 26, 2019 (both days inclusive).

v) Listing on Stock Exchanges

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

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

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

Note: The Company has paid the Listing Fee to Bombay Stock Exchange Ltd. upto 2019-2020.

vi) Market Price Data

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the

Equity Shares of the Company in comparison to BSE Sensex is given hereunder:

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2018	31.40	25.65	35,213.30	32,972.56
May, 2018	32.00	25.00	35,993.53	34,302.89
June, 2018	30.80	29.20	35,877.41	34,784.68
July, 2018	30.60	20.90	37,644.59	35,106.57
August, 2018	36.85	21.90	38,989.65	37,128.99
September, 2018	37.35	32.50	38,934.35	35,985.63
October, 2018	34.00	34.00	36,616.64	33,291.58
November, 2018	39.10	31.75	36,389.22	34,303.38
December, 2018	33.30	26.00	36,554.99	34,426.29
January, 2019	29.95	24.00	36,701.03	35,375.51
February, 2019	30.00	30.00	37,172.18	35,287.16
March, 2019	30.00	30.00	38,748.54	35,926.94

Source: www.bseindia.com

vii) Code of conduct for prohibition of insider trading

The Company has adopted a Code of Conduct in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to for its Directors and Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website viz. www.skpmil.com.

viii) SEBI Complaints Redress System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES. During the year 2018-19, no shareholder's complaint was received on SCORES by the Company.

ix) Registrar and Share Transfer Agents

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

M/s. Link Intime India Pvt. Ltd.
 Noble Heights, 1st Floor, Plot NH 2,
 C-1 Block LSC, Near Savitri Market,
 Janakpuri, New Delhi-110058
 Ph. # 011- 49411000
 Fax # 011- 41410591
 Email Id.: delhi@linkintime.com
 Website: www.linkintime.co.in

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


x) Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of 15 days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI (LODR) Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

xi) Pending Share Transfers

No Share transfers were pending as on March 31, 2019.

xii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2019 was as under:

Shareholding of Shares	Number of Shareholders	%	Number of shares	%
1 to 500	1106	83.03	1,95,820	1.45
501 to 1000	129	9.68	1,09,457	0.81
1001 to 2000	48	3.60	72,509	0.54
2001 to 3000	13	0.98	33,970	0.25
3001 to 4000	8	0.60	28,109	0.21
4001 to 5000	7	0.53	30,999	0.23
5001 to 10000	1	0.08	7,300	0.05
10001 & above	20	1.50	1,30,43,516	96.46
Total	1,332	100.00	1,35,21,680	100.00

Shareholding pattern as on March 31, 2019

Category Code	Category of shareholder	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group		
1	Indian	57,10,680	42.23
2	Foreign	-	-
Total Shareholding of Promoter and Promoter Group		57,10,680	42.23
(B)	Public Shareholding		
I	Institutions	-	-
II	Non-Institutions		
1	Bodies Corporate	38,38,542	28.39
2	Non-Resident Indians/Foreign Bodies Corporate	32,00,303	23.67
3	Resident Individuals and Others	7,72,155	5.71
Total Public Shareholding		78,11,000	57.77
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
Total (A+B+C)		1,35,21,680	100.00

xiii) Dematerialization of Shares

The Company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. As on March 31, 2019, a total of 30,37,737 Equity Shares representing 22.47% of the total paid-up capital of the Company were in dematerialized form. Members are advised to get their shares converted into demat mode.

The Company's ISIN No.: INE 970C01012

xiv) Outstanding GDRs/ADRs /Warrants etc.

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2019.

xv) Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company has foreign exchange risk and the mitigation of the same is managed by entering into forward contracts to hedge the risk as per Company's policy. The details of foreign currency exposure as on March 31, 2019 are disclosed in Note No. 56 of the Financial Statement. The Company does not indulge in commodity hedging activities.

xvi) Credit Rating

During the year under review, ICRA has upgraded your Company's credit ratings as below:

Long-Term Rating: Upgraded from [ICRA]BB- to [ICRA]BB
Short-Term Rating: Upgraded from [ICRA]A4 to [ICRA]A4+

xvii) Plant Location

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

xviii) Address for Correspondence

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

xix) Corporate Identity Number

L21012DL1972PLC279773

15. DISCLOSURES

a) All transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the SEBI (LODR) Regulations during the financial year were in the ordinary course of business and on arm's length basis



and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year. A statement in summary form of transactions with related parties in ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the SEBI (LODR) Regulations, the Company has formulated a policy on dealing with related party transactions. The policy is available on the website of the Company viz. www.skpmil.com at <http://www.skpmil.com/pagepdf/1565260052.pdf> link.

The details of related party transactions during the year have been set out under note no. 57 of Notes to Financial Statements.

- b) No strictures or penalties have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- c) Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the SEBI (LODR) Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.skpmil.com
- d) A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- e) The Company has complied with all the mandatory requirements laid down under the provisions of SEBI (LODR) Regulations.
- f) During the year, all the recommendations of committees of the Board, which are mandatorily required, were accepted by the Board.
- g) Details of total fees for all the services paid by the Company to the Statutory Auditors are given in Note No. 40 of Notes to Financial Statements.
- h) As the Company doesn't have any subsidiary under the

provisions of the Act read with SEBI (LODR) Regulations, the requirement for adopting the Policy for determining 'material' subsidiaries is not applicable. Hence, no web link of the policy has been given in this report.

- i) In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- j) There is an inter-se relationship between two Directors of the Company. Mr. Narendra Kumar Pasari, Managing Director of the Company is the son of another Director, Mr. Bishwanath Pasari.
- k) Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
- l) The Company has fully complied with the applicable requirement specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.



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

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

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

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

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

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

Place: New Delhi
Date: May 20, 2019

CA Radheshyam Sharma
Proprietor
Membership No. 097127

Declaration for compliance with Code of Conduct

I, Narendra Kumar Pasari, Managing Director of the Company declare that all the members of the Board of Directors and Senior Management Personnel have, for the year ended March 31, 2019, affirmed compliance with the Code of Conduct as laid down by the Company in terms of Regulation 26(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

For Shree Krishna Paper Mills & Industries Ltd.

Place: New Delhi
Date: May 20, 2019

Narendra Kumar Pasari
Managing Director
DIN: 00101426



Certificate by Managing Director and Chief Financial Officer

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and intimated the steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sanjiv Kumar Agarwal
Chief Financial Officer

Narendra Kumar Pasari
Managing Director
DIN: 00101426

Place: New Delhi
Date: May 20, 2019

CERTIFICATE

This is to certify, on the basis of books, papers, minutes books, forms and returns filed and other records maintained by the Company M/s SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD having registered office 4830/24, Prahlad Street Ansari Road, Darya Ganj, New Delhi -110002 and also the information provided by the Company, its officers, agents and authorized representative we hereby report that during the financial year ended on 31st march 2019, in our opinion, none of the director of the Company on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Board/Ministry of Corporate Affairs or any such authority.

Place: New Delhi
Date: May 20, 2019

For BLAK & Co.

Company Secretaries
(Archana Bansal)
(Partner)
M. No. A17865
COP-11714



INDEPENDENT AUDITOR'S REPORT

To the Members of
Shree Krishna Paper Mills & Industries Limited

Report on the audit of Financial Statements

Opinion

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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of a Key Audit Matter is given below:-

SI No.	Key Audit Matter	Auditor's Response
1	<p>Appropriateness of the carrying amount of trade receivables (Unsecured & Considered Good) at amortized cost (Refer Note – 13 to the financial statements)</p> <p>Trade receivables aggregating to ₹ 1549.12 lakhs as at March 31, 2019 comprise a significant portion of the assets of the Company and serve as security for the Company's short-term debts.</p> <p>Letters have been sent to majority of the debtor for confirmation of balances and reconciliation, in case of differences, but replies have not been received from all. This is determined as a key audit matter as balance confirmation is one of the evidences which establishes the authenticity of the receivables which comprise significant portion of the Assets of the entity.</p>	<p>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</p> <ul style="list-style-type: none"> Designing the external confirmation procedures to obtain additional corroborative information as a response to address the assessed risks of material misstatement, including determining that external confirmation requests are properly addressed and contain return information for responses to be sent directly to the auditor and maintaining control over external confirmation requests. Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary including in the case of each non-response, perform alternative audit procedures to obtain relevant and reliable audit evidence Performing alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end. <p>Based on the above procedures performed, we did not find any significant exceptions with the balances of trade receivables.</p>

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act ("the Act") with respect to the preparation of these financial statements that give a true



and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer note no. 45 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

CA Radheshyam Sharma
Proprietor
Membership No.097127

Place: New Delhi
Date: May 20, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of Inventory except of goods-in-transit at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The goods-in-transit has been verified with reference to subsequent receipt of material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security or not made any investment as specified under Section 185 and 186 of the Companies



Act, 2013. Accordingly, the provision of para 3(iv) of the Order is not applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and within the meaning of Section 73 to 76 of the Act and the Rules framed there under. Therefore, the provision of para 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- According to information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2019 for a period more than six months from the date the same became payable.
- (b) According to the information and explanations given to us, there are no disputed dues of income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities other than those as mentioned below:

Nature of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Pollution Control Board	Water Cess	6.70	01-06-2007 to 31-03-2013	Cess Appellate Committee
Central Excise Act, 1944	Excise Duty	315.94	19-01-2004 to 30-09-2014	Commissioner (Excise)
LADT -Haryana	Sales Tax	234.86	Various years	Hon'ble Supreme Court
Central Excise Act, 1944	Excise Duty & Interest	0.95	June 2016 to June 2017	Dy. Commissioner (CGST)

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans/borrowings to the banks as on March 31, 2019.
- The Company does not have any loan or borrowings from the other financial institution or Government, nor has the Company issued any debentures.

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, provisions under para 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA Radheshyam Sharma
Proprietor
Membership No.097127

Place: New Delhi
Date: May 20, 2019



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

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

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

We have audited the internal financial controls over financial reporting of Shree Krishna Paper Mills & Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Radheshyam Sharma
Proprietor
Membership No.097127

Place: New Delhi
Date: May 20, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5 (a)	2,794.34	2,661.63
(b) Capital work-in-progress	5 (b)	563.13	310.92
(c) Financial Assets			
(i) Investments	6	208.45	129.16
(ii) Trade receivables	7	-	-
(iii) Loans	8	253.90	157.79
(iv) Other financial assets	9	3.41	15.03
(d) Deferred tax assets (net)	10	347.41	368.96
(e) Other non-current assets	11	91.22	16.19
Total non-current assets		4,261.86	3,659.68
(2) Current assets			
(a) Inventories	12	1,651.24	1,109.62
(b) Financial Assets			
(i) Trade receivables	13	1,534.08	2,190.40
(ii) Cash and cash equivalents	14	148.22	46.86
(iii) Bank balances other than (ii) above	15	157.16	87.06
(iv) Other financial assets	16	23.52	20.03
(c) Current Tax Assets (Net)	17	8.01	13.78
(d) Other current assets	18	763.88	759.81
Total current assets		4,286.11	4,227.56
(3) Assets held for sale	19	190.23	190.23
Total Assets		8,738.20	8,077.47
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	1,352.17	1,352.17
(b) Other Equity	21	1,645.49	1,150.82
Total equity		2,997.66	2,502.99
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	334.78	263.34
(ii) Trade payables	23	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		38.66	33.89
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;			
(iii) Other financial liabilities	24	115.86	107.63
(b) Provisions	25	151.84	145.88
Total non-current liabilities		641.14	550.74
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	1,809.38	1,747.79
(ii) Trade payables	27	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		1,923.20	2,330.28
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;			
(iii) Other financial liabilities	28	677.83	568.57
(b) Other current liabilities	29	82.28	71.84
(c) Provisions	30	6.71	5.26
Total current liabilities		4,499.40	4,723.74
(3) Liabilities against assets held for sale	31	600.00	300.00
Total Equity and Liabilities		8,738.20	8,077.47
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: May 20, 2019

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries LimitedSanjiv Kumar Agarwal
Chief Financial OfficerNarendra Kumar Pasari
Managing Director
DIN : 00101426Sonam Katyal
Company Secretary
Membership No. 33550Rakhi Verma
Director
DIN : 07995132

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019**

		(₹ in Lakhs)	
Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I) Revenue From Operations	32	14,261.24	13,665.98
II) Other Income	33	62.56	48.43
III) Total Income (I + II)		14,323.80	13,714.41
IV) EXPENSES			
Cost of materials consumed	34	8,039.53	8,265.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(168.13)	75.66
Employee benefits expense	36	856.31	810.55
Finance costs	37	279.08	308.93
Depreciation and amortization expense	38	326.42	312.32
Excise duty	39	-	30.47
Other expenses	40	4,393.53	4,286.81
Total expenses (IV)		13,726.74	14,090.55
V) Profit/(loss) before exceptional items and tax (III - IV)		597.06	(376.14)
VI) Exceptional items	41	-	539.83
VII) Profit/(loss) before tax (V + VI)		597.06	163.69
VIII) Tax expense			
- Current tax		146.90	49.51
- Deferred tax		(4.12)	92.52
- MAT (credit)/utilization		4.06	(40.18)
Total tax expense (VIII)	42(a)	146.84	101.85
IX) Profit/(loss) for the year (VII - VIII)		450.22	61.84
X) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(17.61)	18.34
(ii) Income tax relating to items that will not be reclassified to profit or loss	42(b)	4.79	(0.71)
B (i) Items that will be reclassified to profit or loss		79.34	(3.78)
(ii) Income tax relating to items that will be reclassified to profit or loss	42(b)	(22.07)	-
Total Other Comprehensive Income (X)		44.45	13.85
XI) Total Comprehensive Income for the year (IX + X) (comprising profit (loss) and other comprehensive income for the year)		494.67	75.69
XII) Earnings per equity share (face value of ₹ 10/- each)			
(1) Basic (in ₹)	43	3.33	0.46
(2) Diluted (in ₹)	43	3.33	0.46
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements
As per our attached report of even date

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

CA Radheshyam Sharma
Proprietor
Membership No. 097127

Place: New Delhi
Date: May 20, 2019

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Sanjiv Kumar Agarwal
Chief Financial Officer

Sonam Katyal
Company Secretary
Membership No. 33550

Narendra Kumar Pasari
Managing Director
DIN : 00101426

Rakhi Verma
Director
DIN : 07995132

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

	Year ended March 31, 2019	(₹ in Lakhs) Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before exceptional items and tax	597.06	(376.14)
Adjustments for:		
Depreciation and amortization expense	326.42	312.32
Finance costs	228.19	269.35
Net gain on sale of property, plant and equipment	(0.76)	(0.36)
Interest income	(18.09)	(16.17)
Other non-operating income	(38.04)	(25.41)
Re-measurement of net defined benefit plans	(17.61)	18.34
Re-measurement of fair value of investment unlisted shares	79.34	(3.78)
Unrealised foreign exchange gain (net)	(4.62)	(4.69)
Provision for doubtful debts recovered (net)	0.45	-
Provision of ECL	(0.76)	0.08
Excess provision w/back	-	(0.62)
Prior period adjustments	1.02	(1.18)
Operating profit before working capital changes	1,152.60	171.74
Adjustments for :		
Inventories	(541.62)	(85.23)
Trade and other receivables	504.83	(504.35)
Trade and other payables	(224.39)	476.89
Cash from operating activities	891.42	59.05
Income tax paid (net of refunds)	(154.24)	(127.78)
Net cash generated/(used in) operating activities	737.18	(68.73)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(719.62)	(735.96)
Sale proceed of property, plant and equipment	9.04	565.27
Proceed from property , plant and equipment held for sale	300.00	300.00
Interest received	15.44	16.62
Adjustments for :		
Creditors for capital goods	35.10	76.83
Capital advances	(75.03)	11.39
Fixed deposits with banks	(70.10)	(3.50)
Net cash generated/(used in) investing activities	(505.17)	230.65
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	71.44	25.54
Repayment of long- term borrowings	(51.42)	(22.07)
Short-term borrowings (net)	61.59	(81.77)
Interest paid	(212.26)	(201.14)
Net cash used in financing activities	(130.65)	(279.44)
Net (decrease)/ increase in cash and cash equivalents	101.36	(117.52)
Opening balance of cash and cash equivalents	46.86	164.38
Closing balance of cash and cash equivalents	148.22	46.86
(Refer note no. 14)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: May 20, 2019

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited

Sanjiv Kumar Agarwal
Chief Financial Officer

Sonam Katyal
Company Secretary
Membership No. 33550

Narendra Kumar Pasari
Managing Director
DIN : 00101426

Rakhi Verma
Director
DIN : 07995132

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019****A. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at April 01, 2017	Changes during the year 2017-18	As at March 31, 2018	Changes during the year 2018-19	As at March 31, 2019
Equity share capital	1352.17	-	1352.17	-	1,352.17

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	
As at April 01, 2017	22.97	565.49	500.00	(180.36)	35.36	131.67	1,075.13
Profit for the year	-	-	-	61.84	-	-	61.84
Re-measurement of investments (unquoted)	-	-	-	-	-	(3.78)	(3.78)
Actuarial gain(loss) during the year	-	-	-	-	17.63	-	17.63
Total Comprehensive Income for the year	-	-	-	61.84	17.63	(3.78)	75.69
Balance as at March 31, 2018	22.97	565.49	500.00	(118.52)	52.99	127.89	1,150.82
Profit for the year	-	-	-	450.22	-	-	450.22
Re-measurement of investments (unquoted)	-	-	-	-	-	57.27	57.27
Actuarial gain(loss) during the year	-	-	-	-	(12.82)	-	(12.82)
Total Comprehensive Income for the year	-	-	-	450.22	(12.82)	57.27	494.67
Balance as at March 31, 2019	22.97	565.49	500.00	331.70	40.17	185.16	1,645.49

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: May 20, 2019

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited**Sanjiv Kumar Agarwal**
Chief Financial Officer**Sonam Katyal**
Company Secretary
Membership No. 33550**Narendra Kumar Pasari**
Managing Director
DIN : 00101426**Rakhi Verma**
Director
DIN : 07995132



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. CORPORATE INFORMATION

Shree Krishna Paper Mills & Industries Limited (hereinafter referred to as 'the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's equity shares are listed on the Bombay Stock Exchange. The Company is principally engaged in the manufacturing and selling of news print paper and other value-added papers. The Company's registered office is at 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi – 110002.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 20, 2019.

2. CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

"On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases" and certain amendments to existing Ind AS. These amendments shall be applicable to the entity from 1st April, 2019.

i) Issue of Ind As 116 – Leases

Ind AS 116 will supersede the current Ind AS on Leases Ind AS 17 and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March, 2019 to show the impact of adopting Ind AS 116.

ii) Amendments to Existing Issued Ind AS

- Ind AS 12- Income Taxes
- Ind AS 19- Employee Benefits
- Ind AS 109 - Financial Instruments

Note: Application of above Standards are not expected to have any significant impact on the Company's financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Defined Benefit Plans

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****Contingencies & Commitments**

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

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

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

Allowances for doubtful debts

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

Impairment of Financial Assets

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

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

Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which the sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. For fair value hierarchy, refer note no. 55 of financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES**A. STATEMENT OF COMPLIANCE**

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, 2015, as amended and other provisions of the Act. The presentation of the financial statements is based on Ind AS Schedule III of the Act.

B. BASIS OF PREPARATION AND PRESENTATION

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

C. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

D. FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as derivatives and investment, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

E. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

F. DEPRECIATION & AMORTIZATION

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

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

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

G. BORROWING COST

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

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

H. INVENTORIES

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

I. REVENUE RECOGNITION

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

Revenue includes excise duty. However, sales tax/ value added tax (VAT)/ Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognized:

- i) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods. It is measured at the fair value of the consideration received or receivable, net of returns and trade discounts.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". There is no change in value of revenue from operation on adoption of IND AS 115.

- ii) Interest income for all debt instruments measured at amortized cost is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

J. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

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

K. EMPLOYEE BENEFITS EXPENSE

i) Short term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plans

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

b) Defined benefit plans

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 on defined benefit plans arising during the year are charged to the Other Comprehensive Income.

L. TAX EXPENSES

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

Current Tax

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

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

Deferred Tax

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

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

M. EARNINGS PER SHARE

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

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

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made.

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

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

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

O. LEASES

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

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

P. IMPAIRMENT OF ASSETS

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

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

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

Q. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

R. FINANCIAL INSTRUMENTS

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

Cash and cash equivalents

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

(i) Financial Assets**Initial Recognition and Measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets at Amortised Cost

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

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

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

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

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

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

(ii) Financial Liabilities and Equity instruments

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

Derecognition of Financial Instruments:

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

S. NON-CURRENT ASSETS HELD FOR SALE

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

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

T. EXCEPTIONAL ITEMS

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****5) PROPERTY, PLANT AND EQUIPMENT****(a) Property, plant and equipment**

(₹ in Lakhs)

Description	Land Free hold	Land Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying amount									
As at April 1, 2017	114.09	174.94	1,379.05	7,065.46	21.84	94.27	51.04	64.33	8,965.02
Additions	-	-	203.77	536.76	0.29	6.94	1.62	1.19	750.57
Reclassified as held for sale	114.09	-	350.90	-	-	-	-	-	464.99
Deductions/Adjustments	-	-	-	226.63	-	6.86	-	-	233.49
As at March 31, 2018	-	174.94	1,231.92	7,375.59	22.13	94.35	52.66	65.52	9,017.11
As at April 01, 2018	-	174.94	1,231.92	7,375.59	22.13	94.35	52.66	65.52	9,017.11
Additions	-	-	94.76	279.13	16.56	73.65	2.82	0.49	467.41
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	36.65	-	21.25	-	-	57.90
As at March 31, 2019	-	174.94	1,326.68	7,618.07	38.69	146.75	55.48	66.01	9,426.62
Accumulated depreciations:									
As at April 1, 2017	-	26.40	648.72	5,687.08	20.46	38.17	45.84	59.67	6,526.34
Additions	-	1.78	33.79	263.27	0.07	11.19	1.33	0.89	312.32
Eliminated on assets held for sale	-	-	262.59	-	-	-	-	-	262.59
Deductions/Adjustments	-	-	-	216.14	-	4.45	-	-	220.59
As at March 31, 2018	-	28.18	419.92	5,734.21	20.53	44.91	47.17	60.56	6,355.48
As at April 1, 2018	-	28.18	419.92	5,734.21	20.53	44.91	47.17	60.56	6,355.48
Additions	-	1.76	35.61	270.20	0.42	16.28	1.33	0.82	326.42
Eliminated on assets held for sale	-	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	34.43	-	15.19	-	-	49.62
As at March 31, 2019	-	29.94	455.53	5,969.98	20.95	46.00	48.50	61.38	6,632.28
Net Block									
As at April 1, 2017	114.09	148.54	730.33	1,378.38	1.38	56.10	5.20	4.66	2,438.68
As at March 31, 2018	-	146.76	812.00	1,641.38	1.60	49.44	5.49	4.96	2,661.63
As at March 31, 2019	-	145.00	871.15	1,648.09	17.74	100.75	6.98	4.63	2,794.34

(b) Capital work-in-progress

(₹ in Lakhs)

As at March 31, 2018	
Plant and Equipment under erection	304.26
Buildings under construction	6.66
	310.92
As at March 31, 2019	
Plant and Equipment under erection	529.60
Buildings under construction	33.53
	563.13

Notes:

- Addition in Plant and Equipment includes gain of ₹ 0.09 lakhs (March 31, 2018 loss of ₹ 0.30 lakhs) on account of foreign exchange difference during the year.
- Out of assets reclassified as held for sale of ₹ 202.40 lakhs, assets of ₹ 12.17 lakhs has been sold in 2017-18.
- Refer note no. 45 (II) for details of contractual commitments.
- Refer note no. 26 (a) for information on property, plant and equipment pledged as security by the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
6) NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments in Equity instruments (fully paid)		
Quoted		
Investments at fair value through profit or loss		
300 (March 31, 2018: 300) Equity Shares of ₹10/- each of Sarda Papers Ltd.	0.02	0.02
Nil (March 31, 2018: 300) Equity Shares of ₹10/- each of Soma Papers & Industries Ltd.*	-	0.05
Un-quoted		
Investment carried at fair value through other comprehensive income		
20,990 (March 31, 2018: 20,990) Equity shares of ₹ 10/- each of Bishwanath Industries Ltd.	208.43	129.09
Investments at fair value through profit or loss		
300 (March 31, 2018: Nil) Equity Shares of ₹10/- each of Soma Papers & Industries Ltd.*	-	-
	208.45	129.16
*Equity share of Soma Paper & Industries Ltd was delisted from Bombay Stock Exchange w.e.f. July 04, 2018 and the same status was continued as on March 31, 2019		
Aggregate amount of quoted investments ₹ 0.02 lakhs (March 31, 2018 ₹ 0.07 lakhs)		
Aggregate market value of quoted investments ₹ 0.02 lakhs (March 31, 2018 ₹ 0.07 lakhs)		
Aggregate amount of un-quoted investments ₹ 208.43 lakhs (March 31, 2018 ₹ 129.09 lakhs)		
7) NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	-	-
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - credit impaired	4.81	6.30
	4.81	6.30
Less: Loss allowance for bad and doubtful debts/credit impaired	4.81	6.30
	-	-
8) NON-CURRENT FINANCIAL ASSETS - LOANS		
Carried at amortised cost		
Loans receivables considered good - Secured	-	-
Loans receivables considered good - Unsecured		
Security deposit (interest bearing)	253.90	157.79
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	253.90	157.79
9) NON-CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured, considered good)		
Carried at amortised cost		
Security deposits	3.41	3.62
Fixed deposit with banks (remaining maturity more than 12 months)*	-	11.41
	3.41	15.03
* pledged with bank as margin against bank gaurantees		
10) DEFERRED TAX ASSETS (NET)		
Deferred tax assets		
Current tax loss	-	30.40
Deductible temporary differences	16.67	17.23
MAT credit entitlement	503.90	507.50
Total deferred tax assets	520.57	555.13
Deferred tax liabilities		
Property, plant and equipment	(151.09)	(186.17)
Fair valuation of financial instruments through Other Comprehensive Income	(22.07)	-
Deferred tax assets/(liabilities) net	347.41	368.96



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Movement in deferred tax assets/(liabilities)						(₹ in Lakhs)
Particulars	Current tax loss	Deductible temporary differences	MAT credit entitlement	Property, plant and equipment	Fair valuation of financial instruments through OCI	Deferred tax assets/(liabilities) net
As at April 01, 2017	18.78	37.68	464.29	(102.47)	-	418.28
(Charged)/credited to profit or loss	11.62	(20.45)	-	(83.70)	-	(92.52)
MAT credit entitlement credited to profit or loss	-	-	40.18	-	-	40.18
MAT credit entitlement credited to other comprehensive income	-	-	3.03	-	-	3.03
As at March 31, 2018	30.40	17.23	507.50	(186.17)	-	368.96
(Charged)/credited to profit or loss	(30.40)	(0.56)	-	35.08	-	4.12
MAT credit utilization charged to profit or loss	-	-	(4.06)	-	-	(4.06)
MAT credit entitlement credited to other comprehensive income	-	-	0.46	-	-	0.46
(Charged)/credited to other comprehensive income	-	-	-	-	(22.07)	(22.07)
As at March 31, 2019	-	16.67	503.90	(151.09)	(22.07)	347.41

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
11) OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Capital advances	91.22	16.19
	91.22	16.19
12) INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw materials*	975.26	675.26
Work-in-progress	13.46	15.44
Finished goods	337.97	167.86
Stores and spares**	324.55	251.06
	1,651.24	1,109.62
(i) Including goods in transit of :		
*₹ 74.87 lakhs (March 31, 2018 ₹ 33.53 lakhs) in Raw materials		
**₹ 33.94 lakhs (March 31, 2018 ₹ 10.14 lakhs) in Stores and spares		
(ii) Refer note no. 26 (a) for information on inventories pledged as security by the Company.		
13) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,549.12	2,206.20
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - credit impaired	13.67	14.30
	1,562.79	2,220.50
Less: Loss allowance for bad and doubtful debts/expected credit loss/credit impaired	28.71	30.10
	1,534.08	2,190.40
14) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		
Balances with banks - in current accounts	143.81	42.11
Cash on hand	4.41	4.75
	148.22	46.86

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	(₹ in Lakhs)
	As at March 31, 2019
	As at March 31, 2018
15) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS AS ABOVE	
Fixed deposit with bank (maturing within 12 months)	
Pledged with bank as margin against Letter of Credit and Bank Guarantee*	157.16
Others	-
	<u>157.16</u>
*includes ₹ 11.41 lakhs (March 31, 2018 ₹ Nil) having an original maturity of more than 12 months	<u>87.06</u>
16) CURRENT FINANCIAL ASSETS - OTHERS	
(Unsecured, considered good)	
Interest receivable	15.59
Security deposits	5.80
Other receivables	2.13
Forward contracts receivable	-
	<u>23.52</u>
17) CURRENT TAX ASSETS (NET)	
Advance income tax and tax deducted at source (net of provision)	8.01
	<u>8.01</u>
18) OTHERS CURRENT ASSETS	
(Unsecured, considered good)	
Advance to suppliers*	114.86
Employees' advances	11.33
Balance with statutory authorities	371.94
Deposit with government authorities	250.01
Prepaid expenses	11.66
Income tax refundable	4.08
	<u>763.88</u>
* Including ₹ 36.80 lakhs (March 31, 2018 ₹ 8.80 lakhs) with related party	<u>52.87</u>
19) ASSETS HELD FOR SALE	
Land and building [refer note no. 5 (ii)]	190.23
	<u>190.23</u>
In June 2017, the Company had decided to dispose of land and building of its shut plant situated at Bahadurgarh. The transaction for sale is in process and is to be completed in near future.	<u>190.23</u>
20) EQUITY SHARE CAPITAL	
Authorised	
2,00,00,000 (March 31, 2018: 2,00,00,000) Equity shares of ₹10/- each	2,000.00
5,00,000 (March 31, 2018: 5,00,000) 4% Cumulative redeemable preference shares of ₹100/- each	500.00
	<u>2,500.00</u>
Issued, subscribed and fully paid	
1,35,21,680 (March 31, 2018: 1,35,21,680) Equity shares of ₹10/- each	1,352.17
	<u>1,352.17</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****(a) Reconciliation of number of shares outstanding at the beginning and end of the year****Equity shares of ₹ 10/- each**

Balance at the beginning of the year

Issued during the year

Balance at the end of the year

As at March 31, 2019		As at March 31, 2018	
No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
1,35,21,680	1,352.17	1,35,21,680	1,352.17
-	-	-	-
1,35,21,680	1,352.17	1,35,21,680	1,352.17

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

The Company has one class of equity shares referred to as equity shares having at par value of ₹ 10/- each. Each shareholder is entitled to one vote per share. Holders of equity shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. 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.

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

Equity shares of ₹ 10/- each	As at March 31, 2019		As at March 31, 2018	
	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

(₹ in Lakhs)

21) OTHER EQUITY**(i) Reserves and Surplus****(a) Capital Reserve**

Balance as per last balance sheet

(b) Securities Premium

Balance as per last balance sheet

(c) Other Reserve**- Capital Redemption Reserve**

Balance as per last balance sheet

(d) Retained Earnings

Balance/(Deficit) as per last balance sheet

Add: Profit for the year

(ii) Item of Other Comprehensive Income**(a) Re-measurements of defined benefit plans**

Balance as per last balance sheet

Add: Actuarial gain/(loss) during the year

(b) Re-measurements of investments in Equity instruments (unquoted)

Balance as per last balance sheet

Add: Re-measurement of investments

	As at March 31, 2019	As at March 31, 2018	
	22.97	22.97	
	565.49	565.49	
	500.00	500.00	
(118.52)	331.70	(180.36)	(118.52)
450.22		61.84	
52.99		35.36	
(12.82)	40.17	17.63	52.99
127.89		131.67	
57.27	185.16	(3.78)	127.89
	1,645.49		1,150.82

Nature and purpose of reserves

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
22) NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Measured at amortized cost		
Secured		
Vehicle loan from bank	15.23	-
Unsecured		
Loans from related parties [refer note no. 57(c)]	319.55	263.34
	334.78	263.34
Details of security and other terms:		
(a) Current maturities of long term borrowings ₹ 13.22 lakhs (March 31, 2018 ₹ 64.64 lakhs) are taken under current financial liabilities others. (refer note no. 28)		
(b) Vehicle loan is secured by hypothecation of vehicle and year wise maturity amount is as under:-		
	2020-21	2021-22
Amount (₹ in lakhs)	12.05	3.18
No. of Instalments	12	3
	15	15
(c) Unsecured loans are repayable on March 31, 2027. However, the Company has the option to pay before maturity by giving prior notice of 30 days.		
(d) The above loans carry varying rates of interest with the maximum rate of interest going upto 12.00% (previous year 12.00%).		
	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
23) NON-CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Measured at amortized cost		
(A) total outstanding dues of micro enterprises and small enterprises (refer note no 49)	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	38.66	33.89
	38.66	33.89
24) NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Measured at amortized cost		
Security deposits from dealers and contractors	85.22	68.70
Creditors for capital goods	30.64	26.87
Interest accrued	-	12.06
	115.86	107.63
25) NON-CURRENT PROVISIONS		
Provision for employee benefits (refer note no 46)		
Gratuity	131.95	126.64
Leave encashment	19.89	19.24
	151.84	145.88
26) CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
Cash credit from banks	1,809.38	1,572.17
Buyer's credit facilities from banks	-	175.62
	1,809.38	1,747.79
Details of security and other terms:		
(a) Above cash credit facilities/buyer's credit facilities from banks under consortium arrangement having Bank of India as lead bank, are secured by:		
(i) First pari-passu charge by way of hypothecation of inventories and trade receivables.		
(ii) Collaterally secured by equitable mortgage of land & building of Keshwana Unit and second pari-passu charge on current assets of the Company.		
(iii) Second charge on entire movable and immovable assets of the Company, both present and future on pari-passu basis.		
(iv) Collaterally secured by pledge of 48,20,400 equity shares (previous year 48,20,400) held by the promoter and promoter group have been pledged with the lead bank in favour of consortium.		
(v) The facilities are guaranteed by personal guarantee of two Directors of the Company.		
(b) Maximum rate of interest on cash credit facilities was 14.00% per annum (previous year 10.90% per annum).		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	(₹ in Lakhs)
	As at March 31, 2019
	As at March 31, 2018
27) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	
(A) total outstanding dues of micro enterprises and small enterprises (refer note no 49)	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	-
Acceptances	462.27
Other than acceptances	65.04
	<u>1,460.93</u>
	<u>2,265.24</u>
	<u>1,923.20</u>
28) CURRENT FINANCIAL LIABILITIES - OTHERS	
Current maturities of long term debt [refer note no 22(a)]	13.22
Interest accrued	64.64
Other payables	146.60
Due to employees	125.45
Creditors for capital goods	118.19
Expenses payable	144.91
Currency forward account	109.81
	222.51
	129.33
	9.21
	-
	<u>677.83</u>
	<u>568.57</u>
29) OTHER CURRENT LIABILITIES	
Advance from customers	30.91
Security deposits from dealers	29.38
Statutory dues	37.85
	21.50
	13.52
	20.96
	<u>82.28</u>
	<u>71.84</u>
30) CURRENT PROVISIONS	
Provision for employee benefits (refer note no 46)	
Gratuity	-
Leave encashment	-
	6.71
	5.26
	<u>6.71</u>
	<u>5.26</u>
31) LIABILITIES AGAINST ASSETS HELD FOR SALE	
Advance received against sale of Land and Building	600.00
	300.00
	<u>600.00</u>
	<u>300.00</u>
	(₹ in Lakhs)
	Year ended
	March 31, 2019
	Year ended
	March 31, 2018
32) REVENUE FROM OPERATIONS	
(Refer Note no. 48)	
Sale of products (inclusive of excise duty upto June 30, 2017)	14,095.99
Other operating revenues	13,557.07
	165.25
	108.91
	<u>14,261.24</u>
	<u>13,665.98</u>
33) OTHER INCOME	
Interest income on:	
Security deposits carried at amortized cost	9.88
Fixed deposit with banks carried at amortized cost	9.14
	8.21
	7.03
	<u>18.09</u>
	<u>16.17</u>
Other non-operating income	
Excess provision w/back	-
Excess provision w/back (ECL)	0.62
Foreign exchange rate fluctuations (net)	0.76
Provision for doubtful debts w/back	-
Profit on sale of property, plant and equipment	0.36
Miscellaneous income	0.29
Gain on re-measurement of financial assets/liabilities (net)#	0.76
	9.14
	17.26
	33.16
	-
	<u>62.56</u>
	<u>48.43</u>
# Loss on re-measurement of long term investment at FVTPL ₹ 0.04 lakhs (previous year ₹ Nil)	
Gain on re-measurement of long term borrowing at amortized cost ₹ 33.20 lakhs (previous year ₹ Nil)	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
34) COST OF MATERIALS CONSUMED		
Raw Materials consumed		
Inventories at beginning of the year	675.26	522.37
Purchases during the year (Net)	8,339.53	8,418.70
	9,014.79	8,941.07
Inventories at end of the year	975.26	675.26
	8,039.53	8,265.81
35) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories		
Finished goods	167.86	235.44
Work-in-progress	15.44	23.52
	183.30	258.96
Closing inventories		
Finished goods	337.97	167.86
Work-in-progress	13.46	15.44
	351.43	183.30
(Increase)/Decrease in inventories of		
Finished goods	(170.11)	67.58
Work-in-progress	1.98	8.08
	(168.13)	75.66
36) EMPLOYEE BENEFITS EXPENSE		
Salary and wages	763.59	710.11
Contribution to provident and other funds	62.68	75.99
Staff welfare expenses	30.04	24.45
	856.31	810.55
37) FINANCE COSTS		
Interest	210.75	267.83
Interest on income tax	17.44	1.52
Net (gain)/loss on exchange differences	-	(0.79)
Other borrowing costs	50.89	40.37
	279.08	308.93
38) DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on property, plant and equipment (refer note no 5)	326.42	312.32
	326.42	312.32
39) EXCISE DUTY		
Excise duty on sale	-	40.12
Excise duty on stock (net)	-	(9.65)
	-	30.47
40) OTHER EXPENSES		
Stores and spares consumed	337.11	280.03
Power and fuel	2,950.50	3,006.32
Packing materials	298.68	261.61
Contract charges for services	258.87	248.37
Rent	5.66	3.29
Repairs		
Buildings	3.83	11.48
Machinery	101.68	65.07
Others	23.97	-
Insurance	7.04	7.59
Rates and taxes	10.28	9.52

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	Year ended March 31, 2019	(₹ in Lakhs) Year ended March 31, 2018
Cost auditor's remuneration		
Cost audit fees	0.75	0.75
Out of pocket expenses	-	-
Auditor's remuneration		
For audit fees	0.90	0.85
For tax audit fees	0.30	0.25
For other services	0.43	0.23
Bad debts	1.83	
Less: Adjusted with provision for doubtful debts	1.83	-
Expenditure towards Corporate Social Responsibility (refer note no 44)	35.40	30.68
Loss on re-measurement of long term investment at FVTPL	-	0.01
Expected credit loss	-	0.08
Miscellaneous expenses	358.13	360.68
	4,393.53	4,286.81

41) EXCEPTIONAL ITEMS

	2018-2019	(₹ in Lakhs) 2017-2018
Particulars		
Profit on sale of a portion of Bahadurgarh land and building	-	539.83
Total	-	539.83

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

	2018-2019	(₹ in Lakhs) 2017-2018
Particulars		
Current tax	146.90	49.51
Deferred tax	(4.12)	92.52
MAT (credit)/utilization	4.06	(40.18)
Total	146.84	101.85

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

	2018-2019	(₹ in Lakhs) 2017-2018
Particulars		
Tax effect on actuarial gains/losses on defined benefit obligations	(4.33)	3.74
MAT credit entitlement on above	(0.46)	(3.03)
Deferred tax liability on re-measurement of unquoted equity instruments at FVTOCI	22.07	-
Total	17.28	0.71

(c) Income tax reconciliation

	2018-2019	(₹ in Lakhs) 2017-2018
Particulars		
Profit before tax	597.06	163.69
Enacted tax rate (%)*	27.820%	33.063%
Tax expense at enacted tax rate	166.10	54.12
Incremental deduction on account of depreciation	(7.45)	(20.70)
Other items giving rise to temporary differences	(35.09)	83.71
Tax effect due to brought forwarded losses	3.03	(11.63)
Effect due to non deductible expenses	38.19	59.76
Effect due to deductible expenses earlier disallowed	(19.86)	(17.03)
Effect of tax payable under MAT	-	32.85
Other temporary differences	0.55	20.44
MAT utilized/(credit)	4.06	(40.18)
Tax effect which is chargeable at different rate	-	(59.49)
Others	(2.69)	-
Total	146.84	101.85

*The variation in enacted tax rate is due to change in basic rate to 25.00% in financial year 2018-19 as compared to 30.00% in financial year 2017-18.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****43) EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Profit after Tax	450.22	61.84
Weighted average number of equity shares	1,35,21,680	1,35,21,680
Basic and Diluted earnings per share (₹)	3.33	0.46
Nominal value of an equity share (₹)	10.00	10.00

44) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
(a) Gross amount required to be spent during the year	15.55	18.40
(b) Amount spent during the year		
(i) On construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	35.40	30.68
Total amount spent during the year	35.40	30.68

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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
(I) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Central excise duty and service tax matters	316.89	316.13
Custom duty matters	363.10	363.10
Water cess	6.70	6.70
Sales tax matters	234.86	234.86
Labour law matter	3.00	-
- Show Cause notices issued by the Excise Department, Rohtak for recovery of ₹ 4043.51 lakhs has adjudicated and demand of ₹ 3,727.57 lakhs has been dropped. Remaining demand of ₹ 315.94 lakhs has confirmed along with the penalty thereon. The Company has filed appeal before the Hon'ble CESTAT. In addition, another show cause notices were issued by the Excise Department, Jaipur for recovery of ₹ 0.95 lakhs for which reply has been filed.		
- Customs Duty matter relates to demand of ₹163.10 lakhs and penalty and fine of ₹ 200.00 lakhs. The appeal has been filed before Hon'ble CESTAT. The amount of ₹250.00 lakhs is already lying deposited under protest with Custom Department.		
- The other contingent liabilities have been disputed by the Company before respective authorities on account of classification, rates and applicability.		
- Based on the legal advices, the Company is reasonably certain that the outcome of these proceedings shall not have a material impact on its financial statements.		
(b) Other money for which the Company is contingently liable		
Right of recompense under CDR package	1,004.60	989.82
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	159.35	112.26

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

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

(₹ in Lakhs)

Sl. No.	Particulars	2018-2019	2017-2018
1	Contribution to employee's provident fund	15.20	14.56
2	Contribution to employee's family pension fund	21.33	19.91
	Total	36.53	34.47



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b) Defined benefit plans

(A) Gratuity (Funded)

(₹ in Lakhs)

		March 31, 2019	March 31, 2018
i.	Changes in the present value of obligation		
a.	Present value of obligation at the beginning of the year	172.55	150.44
b.	Interest cost	13.37	10.98
c.	Current service cost	17.42	33.39
d.	Benefits paid	(15.29)	(4.45)
e.	Actuarial (gain)/loss:		
	due to change in financial assumptions	1.70	(5.20)
	due to experience variance	16.08	(12.61)
f.	Present value of obligation at the end of the year	205.83	172.55
ii.	Changes in the fair value of plan assets		
a.	Present value of plan assets at the beginning of the year	45.91	24.21
b.	Expected return on plan assets	3.56	1.77
c.	Actuarial gain/(loss)	0.17	0.53
d.	Employer's contributions	39.53	23.85
e.	Benefit paid	(15.29)	(4.45)
f.	Fair value of plan assets at the end of the year	73.88	45.91
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	205.83	172.55
b.	Fair value of plan assets at the end of the year	73.88	45.91
c.	Net (asset)/liability recognized in the balance sheet	131.95	126.64
iv.	Expenses recognized in the Statement of Profit & Loss		
a.	Current service cost	17.42	33.39
b.	Interest cost	13.37	10.98
c.	Expected return on plan assets	(3.56)	(1.77)
d.	Total expenses recognized in the Statement of Profit & Loss	27.23	42.60
v.	Amount recognized in other comprehensive income		
a.	Actuarial gain/(loss) on liabilities	(17.78)	17.81
b.	Actuarial gain/(loss) on assets	0.17	0.53
c.	Net gain/(loss) recognized in other comprehensive income	(17.61)	18.34
vi.	Percentage of each category of plan assets to total fair value of plan assets as at end of the year	%	%
a.	Insurer managed funds	100	100
vii.	Actuarial assumption	%	%
a.	Discount rate	7.62	7.75
b.	Expected rate of return on plan assets	7.75	7.30
c.	Salary escalation rate	10.00	10.00
		(₹ in Lakhs)	
		March 31, 2019	March 31, 2018
viii.	Sensitivity analysis		
a.	Impact due to increase of 0.50% in discount rate	(6.36)	(5.38)
b.	Impact due to decrease of 0.50% in discount rate	6.86	5.80
c.	Impact due to increase of 1.00% in salary inflation rate	13.27	11.21
d.	Impact due to decrease of 1.00% in salary inflation rate	(11.96)	(10.27)
e.	Impact due to increase of 5.00% in withdrawal rate	(9.37)	(7.85)
f.	Impact due to decrease of 5.00% in withdrawal rate	17.41	14.51
ix.	Maturity profile of defined benefit obligation		
a.	1st following year	47.48	40.78
b.	2nd following year	48.09	39.31
c.	3rd following year	18.72	9.49
d.	4th following year	11.85	16.58
e.	5th following year	7.68	10.08
f.	After 6th following year	278.91	238.41
x.	The expected contributions for Defined Benefit Plan	34.84	30.83



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(B) Leave encashment (Unfunded)

(₹ in Lakhs)

		March 31, 2019	March 31, 2018
i.	Changes in the present value of obligation		
a.	Present value of obligation at the beginning of the year	24.50	23.38
b.	Interest cost	1.89	1.71
c.	Current service cost	5.63	5.86
d.	Benefits paid	(4.51)	(6.21)
e.	Actuarial (gain)/loss:		
	due to change in financial assumptions	0.19	(0.68)
	due to experience variance	(1.10)	0.44
f.	Present value of obligation at the end of the year.	26.60	24.50
ii.	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	26.60	24.50
b.	Fair value of plan assets at the end of the year	-	-
c.	Net (asset)/liability recognized in the balance sheet	26.60	24.50
iii.	Expenses recognized in the Statement of Profit & Loss		
a.	Current service cost	5.63	5.86
b.	Interest cost	1.89	1.71
c.	Net actuarial (gain)/loss	(0.91)	(0.24)
d.	Total expenses recognized in the Statement of Profit & Loss	6.61	7.33
iv.	Amount recognized in other comprehensive income		
a.	Actuarial gain/(loss) on liabilities	-	-
b.	Actuarial gain/(loss) on assets	-	-
c.	Net gain/(loss) recognized in other comprehensive income	-	-
v.	Actuarial assumption		
a.	Discount rate	7.62	7.75
b.	Expected rate of return on plan assets	NA	NA
c.	Salary escalation rate	10.00	10.00
			(₹ in Lakhs)
		March 31, 2019	March 31, 2018
vi.	Sensitivity analysis		
a.	Impact due to increase of 0.50% in discount rate	(0.71)	(0.71)
b.	Impact due to decrease of 0.50% in discount rate	0.76	0.76
c.	Impact due to increase of 1.00% in salary inflation rate	1.49	1.49
d.	Impact due to decrease of 1.00% in salary inflation rate	(1.35)	(1.34)
e.	Impact due to increase of 5.00% in withdrawal rate	(1.45)	(1.44)
f.	Impact due to decrease of 5.00% in withdrawal rate	2.53	2.53
vii.	Maturity profile of defined benefit obligation		
a.	1st following year	7.22	5.66
b.	2nd following year	2.80	2.13
c.	3rd following year	2.42	2.91
d.	4th following year	2.53	2.25
e.	5th following year	2.06	2.26
f.	After 6th following year	30.10	30.53

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

48) The Company is engaged into manufacturing and sale of paper and activities incidental thereto. There is no impact on the Company's revenue on applying Ind AS 115 on contracts with customers.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****Disaggregation of revenue from contracts with customers:**

(₹ in Lakhs)

Sl. No.	Particulars	2018-2019	2017-2018
1	Revenue from contracts with customers		
	Sale of products	14,095.99	13,557.07
2	Other operating revenues	165.25	108.91
	Total revenue	14,261.24	13,665.98

Sales by performance obligations:

(₹ in Lakhs)

Sl. No.	Particulars	2018-2019	2017-2018
1	Upon shipment	14,095.99	13,557.07
2	Upon delivery	-	-
	Total	14,095.99	13,557.07

Reconciliation of revenue from contract with customer

(₹ in Lakhs)

Sl. No.	Particulars	2018-2019	2017-2018
A	Revenue from contract with customer as per the contract price	14,527.19	13,638.72
	Adjustments made to contract price on account of:-		
	a) Discounts/rebates/incentives	429.02	40.61
	b) Sales returns/credits/reversals	2.18	0.92
	c) Excise duty invoiced	-	40.12
	Revenue from contract with customer as per Statement of Profit and Loss (A)	14,095.99	13,557.07
B	Other operating revenues (B)	165.25	108.91
	Revenue from operations (A+B)	14,261.24	13,665.98

- 49) Disclosure of the amounts due to the Micro and Small Enterprises as required under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from parties on the request made by the Company as given under:

(₹ in Lakhs)

S.No.	Particulars	March 31, 2019	March 31, 2018
(a)	The principal amount due remaining unpaid to any supplier at the end of each accounting year;	-	-
(b)	The interest due remaining unpaid to any supplier at the end of each accounting year;	-	-
(c)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(g)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

- 50) Interest accrued (refer note no. 28) also includes accumulated dividend on 4% cumulative redeemable preference shares amounting to ₹145.76 lakhs in March 31, 2019 and ₹145.76 in March 31, 2018.
- 51) The Rajasthan State Industrial Development and Investment Corporation Ltd. had issued cancellation orders for part of the land of Keshwana. The said orders have been stayed by the Hon'ble High Court of Rajasthan.
- 52) Net increase/decrease in excise duty liability on closing stock of finished goods before introduction of Goods and Services Tax i.e. upto June 30, 2017 has been shown as "Excise duty on stock (net)" in note no. 39 of Notes to the financial statements
- 53) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of paper and the activities incidental thereto, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Information about major customers

Detail of customers accounted for 10% or more revenue is as under:

(₹ in Lakhs)

Sl. No.	Particulars	2018-2019	2017-2018
1	Customer 1	2,699.04	3,473.76
2	Customer 2	2,171.96	2,213.09
3	Customer 3	1,804.50	2,073.25
4	Customer 4	1,798.00	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****54) CAPITAL MANAGEMENT**

The Company aim to manages its capital efficiently so as to safe guard its ability to continue as a going concern and to optimise returns to our shareholders.

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

Gearing Ratio

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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Debt*	2,157.38	2,075.77
Less: Cash and bank balances	305.38	145.33
Net Debt	1,852.00	1,930.44
Total Equity	2,997.66	2,502.99
Debt to Equity ratio	0.62	0.77

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debts.

55) FAIR VALUE MEASUREMENT

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

(a) As at March 31, 2019

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Investments in equity instruments (quoted)	0.02	-	-	0.02	0.02	-	-	0.02
Investments in equity instruments (unquoted)	-	208.43	-	208.43	-	208.43	-	208.43
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	253.90	253.9	-	-	-	-
Other financial assets	-	-	3.41	3.41	-	-	-	-
Current financial assets								
Trade receivables	-	-	1534.08	1534.08	-	-	-	-
Cash and cash equivalents	-	-	148.22	148.22	-	-	-	-
Bank balances other than above	-	-	157.16	157.16	-	-	-	-
Other financial assets	-	-	23.52	23.52	-	-	-	-
Total financial assets	0.02	208.43	2120.29	2328.74	0.02	208.43	-	208.45
Non-current financial liabilities								
Borrowings	-	-	334.78	334.78	-	-	-	-
Trade payables	-	-	38.66	38.66	-	-	-	-
Other financial liabilities	-	-	115.86	115.86	-	-	-	-
Current financial liabilities								
Borrowings	-	-	1809.38	1809.38	-	-	-	-
Trade payables	-	-	1923.20	1923.2	-	-	-	-
Other financial liabilities	9.21	-	668.62	677.83	-	9.21	-	9.21
Total financial liabilities	9.21	-	4890.5	4899.71	-	9.21	-	9.21

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(b) As at March 31, 2018

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Investments in equity instruments (quoted)	0.07	-	-	0.07	0.07	-	-	0.07
Investments in equity instruments (unquoted)	-	129.09	-	129.09	-	129.09	-	129.09
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	157.79	157.79	-	-	-	-
Other financial assets	-	-	15.03	15.03	-	-	-	-
Current financial assets								
Trade receivables	-	-	2190.40	2190.40	-	-	-	-
Cash and cash equivalents	-	-	46.86	46.86	-	-	-	-
Bank balances other than above	-	-	87.06	87.06	-	-	-	-
Other financial assets	0.22	-	19.81	20.03	-	0.22	-	0.22
Total financial assets	0.29	129.09	2516.95	2646.33	0.07	129.31	-	129.38
Non-current financial liabilities								
Borrowings	-	-	263.34	263.34	-	-	-	-
Trade payables	-	-	33.89	33.89	-	-	-	-
Other financial liabilities	-	-	107.63	107.63	-	-	-	-
Current financial liabilities								
Borrowings	-	-	1747.79	1747.79	-	-	-	-
Trade payables	-	-	2330.28	2330.28	-	-	-	-
Other financial liabilities	-	-	568.57	568.57	-	-	-	-
Total financial liabilities	-	-	5051.50	5051.50	-	-	-	-

The following methods and assumptions were used to estimate the fair values:

The fair values of the long term borrowings, loans and other deferred payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

The fair value of long term quoted investment in equity instruments are measured at quoted market price.

The fair values of the unquoted instruments and other financial assets and liabilities have been estimated using a discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

The Company executed derivative financial instruments such as cross currency interest rate swap being valued using valuation techniques, which employs use of market observable inputs. The Company uses mark to market valuation provided by bank for its valuation.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

56) FINANCIAL RISK MANAGEMENT

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management monitors these risks and provides assurance that the financial risk activities are governed by appropriate policies and procedures. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit Risk

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

Trade receivables

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	4.11	5.75
180 - 365 days	0.69	0.24
1 year to 2 years	0.82	1.61
2 years to 3 years	1.71	1.76
above 3 years	7.71	6.44
Total	15.04	15.80

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	15.80	15.72
Addition	13.27	21.41
Write - offs	-	-
Recoveries	14.03	21.33
Balance at the end of the year	15.04	15.80

Liquidity Risk

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

The Company has unutilised working capital limits from banks of ₹ 690.62 lakhs as on March 31, 2019; ₹ 752.21 lakhs as on March 31, 2018.

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

As at March 31, 2019

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,822.60	15.23	319.55	2,157.38
Trade payables	1,923.20	38.66	-	1,961.86
Other financial liabilities	655.40	30.64	85.22	771.26
Derivative				
Forward exchange contracts	9.21	-	-	9.21

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

As at March 31, 2018

(₹ in Lakhs)

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

Market Risk- Foreign Currency Risk

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

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payable on account of purchase of goods		
Forward contracts to buy USD (\$ in lakhs)	4.20	2.80
Amount outstanding in Indian Rupee (₹ in lakhs)	301.06	183.11

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payable on account of purchase of goods		
Amount outstanding in USD (\$ in lakhs)	2.27	2.01
Amount outstanding in Euro (€ in lakhs)	-	0.13
Amount outstanding in Indian Rupee (₹ in lakhs)	157.79	141.45

Market Risk- Price Risk Exposure

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

Sensitivity

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

Impact on Profit before tax

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
BSE Sensex 30- Increase 5%	0.00	0.00
BSE Sensex 30- Decrease 5%	(0.00)	(0.00)

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****Foreign Currency Risk Sensitivity**

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
USD and Euro		
5% Increase	(22.94)	(16.23)
5% Decrease	22.94	16.23

Interest Rate Risk

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

For the years ended March 31, 2019 and March 31, 2018, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Company's profit before tax by approximately ₹ 6.66 Lakhs and ₹ 8.92 Lakhs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity Rate Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of newsprint paper including the raw material components for such active newsprint paper. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's some of the raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2019, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

57) RELATED PARTY DISCLOSURES

a) List of related parties:

i) Key Management Personnel:

Mr. Narendra Kumar Pasari
Mr. Sanjiv Kumar Agarwal
Mrs. Sonam Katyal

Managing Director
Chief Financial Officer
Company Secretary

Mr. Bishwanath Pasari
Mr. Prakash Narayan Singh
Mr. Lal Chand Sharma
Mr. Rajesh Mujoo
Mrs. Rakhi Verma

Non-Executive Director
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Director

ii) Relatives of Key Management Personnel:

Mr. Birendra Pasari
Mr. Pradeep Pasari
Mr. Naynesh Pasari
Mrs. Shilpa Pasari
Mrs. Shradha Pasari

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

Laxmi Traders
Gopala Sales Pvt. Ltd.
SKCS Finvest Pvt. Ltd.
Bishwanath Traders & Investments Ltd.
Dilwara Leasing and Investment Ltd.
Inficore Visions Pvt. Ltd.
Amer Hotels Ltd.
Bishwanath Industries Ltd.
Govinda Power & Products Pvt. Ltd.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b) Details of transactions with the related parties:

(₹ in Lakhs)

Nature of transactions	2018-2019			2017-2018		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
Expenses :						
Employee benefit expense*						
(short term employee benefits)						
Mr. Narendra Kumar Pasari	16.08	-	-	15.43	-	-
Mr. Sanjiv Kumar Agarwal	13.03	-	-	11.78	-	-
Mrs. Sonam Katyal	4.80	-	-	4.25	-	-
Consultancy paid						
Mr. Naynesh Pasari	-	6.00	-	-	6.00	-
Finance costs						
Gopala Sales Pvt. Ltd.	-	-	2.62	-	-	2.59
Bishwanath Industries Ltd.	-	-	25.74	-	-	23.07
Bishwanath Traders & Investments Ltd.	-	-	2.53	-	-	2.28
Dilwara Leasing & Investment Ltd.	-	-	2.15	-	-	-
Raw material purchase						
Gopala Sales Pvt. Ltd.	-	-	55.44	-	-	-
Govinda Power & Products Pvt. Ltd.	-	-	68.75	-	-	7.91
Packing material purchase						
Gopala Sales Pvt. Ltd.	-	-	134.66	-	-	106.09
Govinda Power & Products Pvt. Ltd.	-	-	56.11	-	-	30.49
Income :						
Sale of products						
Gopala Sales Pvt. Ltd.	-	-	800.16	-	-	-
Other operating revenues						
Gopala Sales Pvt. Ltd.	-	-	9.10	-	-	5.81
Govinda Power & Products Pvt. Ltd.	-	-	12.56	-	-	7.50
Other income						
Gopala Sales Pvt. Ltd.	-	-	0.72	-	-	0.72
Govinda Power & Products Pvt. Ltd.	-	-	0.66	-	-	0.66
SKCS Finvest Pvt. Ltd.	-	-	0.06	-	-	0.06
Inficore Visions Pvt. Ltd.	-	-	0.12	-	-	0.07
Non-current financial liabilities-Borrowings:						
Loan taken						
Dilwara Leasing & Investment Ltd.	-	-	25.57	-	-	-

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

c) Closing balances receivables/payables:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Referred in (i) above		
Current financial liabilities-Others		
Mr. Narendra Kumar Pasari	1.72	1.61
Mr. Sanjiv Kumar Agarwal	1.45	1.35
Mrs. Sonam Katyal	0.52	0.45
Referred in (ii) above		
Current financial liabilities-Trade payables		
Mr. Naynesh Pasari	0.45	0.45



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Referred in (iii) above		
Current financial assets-Trade receivables		
SKCS Finvest Pvt. Ltd.	-	0.07
Inficore Visions Pvt. Ltd.	0.22	0.08
Gopala Sales Pvt. Ltd.	14.15	-
Other current assets		
Gopala Sales Pvt. Ltd.	33.85	8.73
Govinda Power & Products Pvt. Ltd.	2.95	0.07
Non-current financial liabilities-Borrowings*		
Bishwanath Traders & Investments Ltd.	25.51	22.98
Bishwanath Industries Ltd.	249.63	223.89
Gopala Sales Pvt. Ltd.	16.69	16.47
Dilwara Leasing & Investment Ltd.	27.72	-
Current financial liabilities-Trade payables		
Laxmi Traders	1.08	1.08
Amer Hotels Ltd.	0.15	0.15
Govinda Power & Products Pvt. Ltd.	-	3.98
Current financial liabilities-Others		
Gopala Sales Pvt. Ltd.	2.16	2.16
Amer Hotels Ltd.	0.15	0.15
Other current liabilities		
Bishwanath Traders & Investments Ltd.	1.63	1.63

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bishwanath Traders & Investments Ltd.	50.00	50.00
Bishwanath Industries Ltd.	508.64	508.64
Gopala Sales Pvt. Ltd.	20.00	20.00
Dilwara Leasing & Investment Ltd.	58.77	-

d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

e) The Company does not have any subsidiary/associates.

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

59) There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: May 20, 2019

For and on behalf of the Board of Directors of

Shree Krishna Paper Mills & Industries Limited

Sanjiv Kumar Agarwal
Chief Financial Officer

Sonam Katyal
Company Secretary
Membership No. 33550

Narendra Kumar Pasari
Managing Director
DIN : 00101426

Rakhi Verma
Director
DIN : 07995132



Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

Regd. Office: 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002
Email: info@skpmil.com, Website: www.skpmil.com • Tel: 91-11-46263200 Fax: 91-11-23266708

Form No. MGT – 11

Proxy Form

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

Name of the member(s): _____

Registered Address: _____

Email ID: _____

Folio No/Client ID: _____ DP ID: _____

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

1. Name: _____

Address: _____

Email: _____

Signature: _____, or failing him/her

2. Name: _____

Address: _____

Email: _____

Signature: _____, or failing him/her

3. Name: _____

Address: _____

Email: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Thursday, September 26, 2019 at 10.30 a.m. at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mrs. Rakhi Verma (DIN: 07995132), who retires by rotation and being eligible, offers herself for re-appointment.

3. To re-appoint Mr. Narendra Kumar Pasari (DIN: 00101426) as Managing Director and fix his remuneration.

4. To approve the continuation of directorship of Mr. Bishwanath Pasari (DIN: 00101519) as a Director of the Company

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020.

Signed this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

Affix
Revenue
Stamp

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

Shree Krishna Paper Mills & Industries Limited

CIN: L21012DL1972PLC279773

Regd. Office: 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002
Email: info@skpmil.com, Website: www.skpmil.com • Tel: 91-11-46263200 Fax: 91-11-23266708

Attendance Slip

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

Name: _____ Folio No./ DP & Client ID: _____

Address: _____ No. of Shares Held: _____

I/We hereby record my/our presence at the 47th Annual General Meeting of the Company at Shikshak Sadan, Surajmal Vihar, Delhi - 110092 on Thursday, September 26, 2019 at 10.30 a.m.

Signature of the Shareholder/ Proxy _____



4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110 002
Tel.: 91-11-46263200, 23261728 • Fax: 91-11-23266708
e-mail: info@skpmil.com • website: www.skpmil.com
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