

INFORMATION MEMORANDUM



NIRVIKARA PAPER MILLS LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office: A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400 013

Telephone: +91 22 6120 7900; **Fax:** +91 22 6120 7999; **Website:** www.npml.in

Contact Person: Mr. Rajesh A. Solanki, Company Secretary & Compliance Officer

Email: rajesh.solanki@bpml.in

INFORMATION MEMORANDUM FOR LISTING OF 1,07,39,844 EQUITY SHARES OF Rs. 10/- (RUPEES TEN ONLY) EACH NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Nirvikara Paper Mills Limited, unless they can afford to take risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Nirvikara Paper Mills Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF NIRVIKARA PAPER MILLS LIMITED

Nirvikara Paper Mills Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Nirvikara Paper Mills Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Nirvikara Paper Mills Limited allotted in terms of the Composite Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay is proposed to be listed on the BSE Limited and National Stock Exchange of India Limited, where the equity shares of Nirvikara Paper Mills Limited are presently listed.

REGISTRAR & SHARE TRANSFER AGENTS

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED

Registered Address: 13AB, Samhita Warehousing Complex, 2nd floor, Sakinaka Tel. Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072.

Tel: 022-67720360, Fax: 285915685

E-mail: nileshb@shareproservices.com

Index

Particulars	Page Nos.
Definition, Abbreviation & Industry related terms	1
Certain Conventions & use of market data	4
Forward Looking Statements	5
Risk Factors	6
Dividends and Dividend Policy	14
Composite Scheme of Arrangement	15
Statement of Tax Benefits	16
Capital Structure	34
Company History and Management	36
Corporate Governance	45
Key Management Personnel	46
Business Overview	57
Industry Overview	63
Financial Statements	68
Outstanding Litigations, Defaults and Material Developments	130
Licenses and Approvals	146
Articles of Association	148
Documents for Inspection	149
Declaration	150

Definition, Abbreviation & Industry related terms

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Company Related Terms

Term	Description
Amalgamation Appointed Date	April 1, 2013
Articles / Articles of Association	Articles of Association of the Company
Board / Board of Directors	Board of Directors of the Company
Composite Scheme of Arrangement / Scheme of Arrangement / Scheme	Composite Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 amongst Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors sanctioned by the Hon'ble High Court of Bombay
Demerged Undertakings	Demerged Undertakings shall have the same meaning ascribed to such term in the <i>“Composite Scheme of Arrangement”</i>
Effective Date	February 10, 2015
“Nirvikara Paper Mills Limited” or “NPML” or “the Company”	Nirvikara Paper Mills Limited, a public limited company incorporated on June 29, 2013 and having its registered office at A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400 013
Equity Share(s) or Share(s)	Equity Share(s) of the Company having face value of Rs. 10/-unless otherwise specified
Information Memorandum	This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum
Listing Agreements	The listing agreements to be entered into between the Company and the relevant stock exchanges
Memorandum or Memorandum of Association	Memorandum of Association of the Company
Orders	Orders of the Hon'ble High Court of Bombay dated December 19, 2014 approving the Composite Scheme of Arrangement.
Record Date	March 25, 2015
Registrar and Share	Sharepro Services (India) Private Limited

Transfer Agents	
Registrar of Companies or RoC	Registrar of Companies, Mumbai
Statutory Auditor	M/s. Jayantilal Thakkar & Co.
Stock Exchanges	The BSE Limited and the National Stock Exchange of India Limited where the Equity Shares of the Company are proposed to be listed

Conventional and General Terms

Term	Description
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
BSE	BSE Limited
Designated Stock Exchange	The designated stock exchange shall be the BSE
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
GAAP	Generally Accepted Accounting Policies
GOI	Government of India
IFRS	International Financial Reporting Standards
I. T. Act	The Income Tax Act, 1961
MAT	Minimum Alternate Tax
NRI(s)	Non Resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
DWT	Dead Weight Ton
COA	Contract of Affreightment
FY	Financial Year
A.Y.	Assessment Year
AGM	Annual General Meeting
AS	Accounting Standard
CAGR	Compound Annual Growth Rate
GDP	Gross Domestic Product
Lac or Lakh	1.00 X 10 ⁵
MT	Metric Ton
N.A.	Not Applicable
USD	United States Dollar

Certain Conventions & use of market data

Unless stated otherwise, the financial data in this Information Memorandum is derived from the financial statements prepared in accordance with the Indian GAAP. The current financial year commenced on April 1, 2014 and ended on March 31, 2015. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to ‘Rupees’ or “₹” are to the Indian Rupees, the official currency of the Republic of India.

For definitions, please see the section “Definition and Conventional and General terms”.

Unless stated otherwise, industry data and market data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Information Memorandum is meaningful depends on the readers’ familiarity with and understanding of the methodologies used in compiling such data.

Forward Looking Statements

Certain statements in this Information Memorandum constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s and the Group’s present and future business strategies and the environment in which the Company and the Group will operate in the future. Important factors that could cause the Company’s and the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, inter-alia, the condition of, and changes in, India’s political and economic status. Additional factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under “Risk Factors”, “Business Overview” and “Industry Overview”. These forward-looking statements speak only as at the date of this Information Memorandum. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Risk Factors

Internal Risk Factors

1. Changes in the cost or availability of raw materials and energy could affect our profitability

We rely significantly on raw materials (waste-paper and industrial chemicals) and energy sources (principally water and electricity) for the manufacture of our products. In FY2014 and FY2013, raw materials comprised approximately 63.24% and 59.34% of our net sales. We procure a significant portion of our waste-paper from domestic and international suppliers wherein quantity and price are based on the purchase orders by the Company.

We may not be able to procure adequate quantity of waste-paper at a commercially acceptable price, or at all. Any unavailability of waste-paper at a competitive cost and timely manner would have a material adverse effect on our business, operations and financial condition.

A significant portion of our raw material requirements is met by imports. For FY2014 and FY2013, 38.92% and 15.12%, respectively, of the raw materials consumed by us were imported.

To meet our power requirements, while we own and operate thermal captive power plant of capacity 4.5MW which is sufficient for our current installed capacity, energy costs may fluctuate significantly due to increase in coal/lignite prices or decreased production capacity. Coal prices have fluctuated dramatically in the past and may continue to fluctuate in the future. Further, we may have to source power from the grid for any additional capacity that we may install. Any inability to source our coal requirements or power from the grid (once we commence operations at our additional capacity) at a competitive cost and in a timely manner would have a material adverse effect on our business, operations and financial condition.

We may not be able to pass increased cost for raw materials or energy to our customers if the market or existing agreements with our customers do not allow us to raise the prices of our finished products. Even if we are able to pass through increased cost of raw materials or energy, the resulting increase in the selling prices for our products could reduce the volume of products we sell and decrease our revenues. Any failure of our suppliers to deliver the raw materials or coal in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to manufacture our products on time and at the desired level of quality, which could have a material adverse effect on our business, financial condition and results of operations.

2. The segments of the paper industry in which we operate are highly competitive and increased competition could reduce our sales and profitability.

We compete in different markets within the paper board industry on the basis of the quality of our products, customer service, product development activities, price, and distribution. All of our

markets are highly competitive. Factors affecting our competitive success include, among other things, price, availability of products, brand recognition, customer service, ease of use, and reliability. Our competitors vary in size, and may have greater financial, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian packaging board market as compared with us. Competitive conditions in some of our products have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely.

Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our specialty markets. In addition to competition with different players in the paper industry, industrial paper products compete with products such as polymers, wood and steel for packaging.

3. We may be unable to generate sufficient cash flow or secure sufficient credit to simultaneously fund our operations, finance capital expenditures, and satisfy other obligations.

Our business is capital intensive and requires significant expenditures for equipment maintenance and new or enhanced equipment for environmental compliance matters, and to support our business strategies. We expect to meet all of our near-and longer-term cash needs from a combination of operating cash flows, cash and cash equivalents, our existing credit facilities or other bank lines of credit, and other long-term debt. If we are unable to generate sufficient cash flow from these sources or if we are unable to secure needed credit due to our performance or tighter credit markets, we could be unable to meet our near-and longer-term cash needs.

4. An inability to manage our growth may disrupt our business and reduce our profitability.

We have experienced year-on-year growth in our income from own manufacturing operations (gross sales) of approximately 9.17% in FY2014. Our growth will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organisation. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of customer satisfaction;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- adhering to health, safety and environment and quality and process execution standards that meet customer expectations;
- preserving a uniform culture, values and work environment in operations; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business, results of operations and financial condition.

5. *Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.*

Our manufacturing facilities at Ambivali and Bhiwandi near Kalyan are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, continued availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, including insurance coverage, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

6. *If we have any operational problems at any of our facilities, it could have a material adverse effect on our business and results of operations.*

Our manufacturing and distribution warehouses may suffer loss or damage due to fire, flood, terrorism, mechanical failure, or other natural or man-made events. If any of these facilities were to experience a loss or damage, it could disrupt our operations, delay production, delay or reduce shipments, reduce revenue, and result in significant expenses to repair or replace the facility. These expenses and losses may not be adequately covered by property or business insurance. Even if covered by insurance, our inability to deliver our products to customers, even on a short-term basis, may cause us to lose market share on a more permanent basis, which could have a material adverse effect on our business and results of operations.

7. *We require a number of approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

We require certain of regulatory approvals, sanctions, licenses, registrations and permissions (collectively '**Statutory Approvals**') for our operations, many of which expire from time to time. We generally apply for fresh Statutory Approvals upon the same becoming applicable to us, and for renewals of such Statutory Approvals, prior to or upon, and in some cases we may have applied after their expiry. Further, in some cases, we have also applied for amendments to our current Statutory Approvals. The non-receipt of approvals, renewals of licenses on time or revocation or modifications of licenses not subject to expiry, may adversely affect our ability to operate our manufacturing facilities, market our products, and may have a material adverse effect on our production, ability to meet client commitments and may adversely affect our business, results of operation and financial condition. For further details with respect to Statutory Approvals and applications made, please refer to section "Licenses and Approvals" of this Information Memorandum.

8. *We have experienced negative cash flows in the past which could adversely affect our financial condition and the trading price of our Equity Shares.*

Recently the BPML has embarked on expansion by increase in production capacity. Pursuant to same, BPML faced negative net cash flows during FY13 and FY14 mainly on account of investment in building fixed assets. We cannot guarantee that Company will be able to generate positive net cash flows in future which may have adverse impact on the operations of the Company.

9. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our or our contractors' work force or any other kind of disputes involving our work force.*

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labor regulations, it is difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations. We employ significant number of employees and contract labourers at our facilities. Substantial number of our permanent employees and contract labourers are represented by labour unions and staff associations. While we have entered into settlement agreements with our labour unions and believe that we enjoy satisfactory relationships with all of the labor organizations that represent our employees, we cannot guarantee that labor-related disputes will not arise. Further, we may not be able to satisfactorily renegotiate our wage settlement agreements when they expire and may face tougher negotiations or higher wage demands. In addition, existing labor agreements may not prevent a strike or work stoppage in the future. Such incidents or strikes and work stoppage by our employees could have an adverse effect on our business, financial operation and results of operations.

Furthermore, in the event our or our contractors' work force (including contract labourers) unionize in the future, collective bargaining efforts by labour unions may divert management's attention and result in increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those employees who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes, thereby adversely affecting our business and results of operations. Any shortage of skilled personnel or work stoppages caused by disagreements with our work force could have an adverse effect on our business, and results of operations. We have entered into contracts with independent contractors to complete specified assignments and these contractors may be required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under Indian laws that we may be held responsible for wage payments, or benefits and amenities to labourers engaged by our independent contractors should such contractors default on wage payments or in providing benefits and amenities. Any requirement to fund such payments may adversely affect

our business, financial condition and results of operations. Furthermore, under Indian law, we may be required to absorb a portion of such contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

10. Our insurance coverage may prove inadequate to satisfy future claims against us or against all material hazards. In the event that we suffer loss or damage that is not covered by or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

Our operations carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We believe that we have insured our facilities, plant and equipment in a way which we believe is typical in our industry and in amounts which we believe to be commercially appropriate. However, we may become subject to liabilities against which our property are not insured adequately or at all or cannot insure, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Even if a claim is made under an existing insurance policy, due to exclusions and limitations on coverage, we may not be able to successfully assert our claim for any liability or loss under such insurance policy.

In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider acceptable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material and adverse effect on our business, results of operations, financial condition and cash flows.

11. There is outstanding litigation against us, our Directors, our Promoter and our Group Companies, which if determined adversely, could affect our results of operations and reputation.

There are legal proceedings pending at different levels of adjudication before various courts and tribunals in respect of our business. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. There are certain claims pending in various courts and authorities at different levels of adjudication against our Group Companies. For further details with respect to outstanding litigations, please refer to section “Outstanding Litigations, Defaults and Material Developments” of this Information Memorandum.

12. Contingent liabilities which have not been provided for could adversely affect our financial conditions.

We have created provisions for certain contingent liabilities in our financial statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. Contingent liabilities not provide for by the Company are as follows:

Sr. No.	Contingent Liabilities and commitments (Post scheme)	Rs. crore
(I)	Contingent Liabilities	
1	Claims against the Company not acknowledged as debts	
	-Disputed claims for excise, cess, sales tax and service tax	7.94
	-Disputed income tax demands	0.21
	-Others	5.87
2	Guarantees	
	-Guarantees given by the Company's bankers on behalf of the Company against the Company's indemnity	1.76
(II)	Commitments	
	Estimated amount of contracts remaining to be executed on capital account and not provided for	4.08

External Risk Factors

1. Any change in the tax rates, rules or regulations in India could adversely affect the Company's earnings and future revenues.

The Company is subject to various taxes and levies imposed by the Central and State Governments in India. The various tax liabilities of the Company include customs duties, value-added tax, income tax, service tax and other taxes, duties, surcharges and cess introduced from time to time. The Central and State taxes levied in India are complex, elaborate and subject to periodic amendments. Any adverse changes in any of the taxes levied by the Central Government or State Governments may adversely affect the Company's profitability.

2. A third party could be prevented from acquiring control of the Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage attempts at acquisition of the Company, even if a change in control would result in the purchase of the shares at a premium to the market price or would otherwise be beneficial to investors. Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company.

3. *Indian securities markets vary from various securities markets in other countries.*

The Indian securities markets may be more or less volatile than other securities' markets in the world, and the degree of company information available in the Indian securities market will vary from the information available in other markets. Therefore, Bondholders will be subject to the risk of abnormal fluctuations in share prices on account of macro-economic and political factors and may or may not have access to all the relevant information regarding the securities.

4. *The Company's business is subject to political, economic, social and environmental factors in India.*

Political instability or changes in the Government could adversely affect economic conditions in India generally and the Group's business in particular. If regional hostilities, terrorist attacks or social unrest in India increase, the Group's business could be adversely affected and the trading price of the Shares could decrease. Natural disasters could have a negative impact on the Indian economy and cause the Group's business to suffer. Financial instability in countries other than India could disrupt Indian markets and the Group's business, and cause the trading price of the Bonds and the Shares to decrease. If inflation were to rise in India, the Group might not be able to increase the prices of its products in order to pass costs on to its customers and the Group's profits might decline. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Group's business and the trading price of the Bonds and the Shares.

5. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India. South Asia has, from time to time, experienced instances of civil unrest and hostilities among other neighbouring countries.

6. *The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.*

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

7. *There is no guarantee that the Equity Shares offered under this Issue, will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.*

Listing of Equity Shares is contingent upon receipt of listing approval from Stock Exchanges. Approval from Stock Exchanges will require submission of all material documents and meeting eligibility criteria of the Stock Exchanges. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges if we fail to submit all material documents or meet eligibility criteria of Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

8. *There are restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

We are subject to a daily 'circuit breaker' imposed by the Stock Exchanges, which may not allow transactions beyond specified increases or decreases in the price of our Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares.

The Stock Exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of our Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

Dividends and Dividend Policy

The process and rules governing declaration and payment of dividends is governed by the Companies Act. As prescribed by the Companies Act an Indian company can declare dividends only upon recommendation by the Board of Directors and approval of the recommendation by the shareholders. The shareholders only have the power to decrease the amount recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous years or out of both.

The Company does not have a formal dividend policy. There is no guarantee that any future dividends will be declared or paid. The declaration and payment of dividend will be recommended by the Board of Directors and approved by its Shareholders, at their discretion, and will depend on a number of factors, including, but not limited to, its profits, capital requirements and overall financial condition.

Composite Scheme of Arrangement

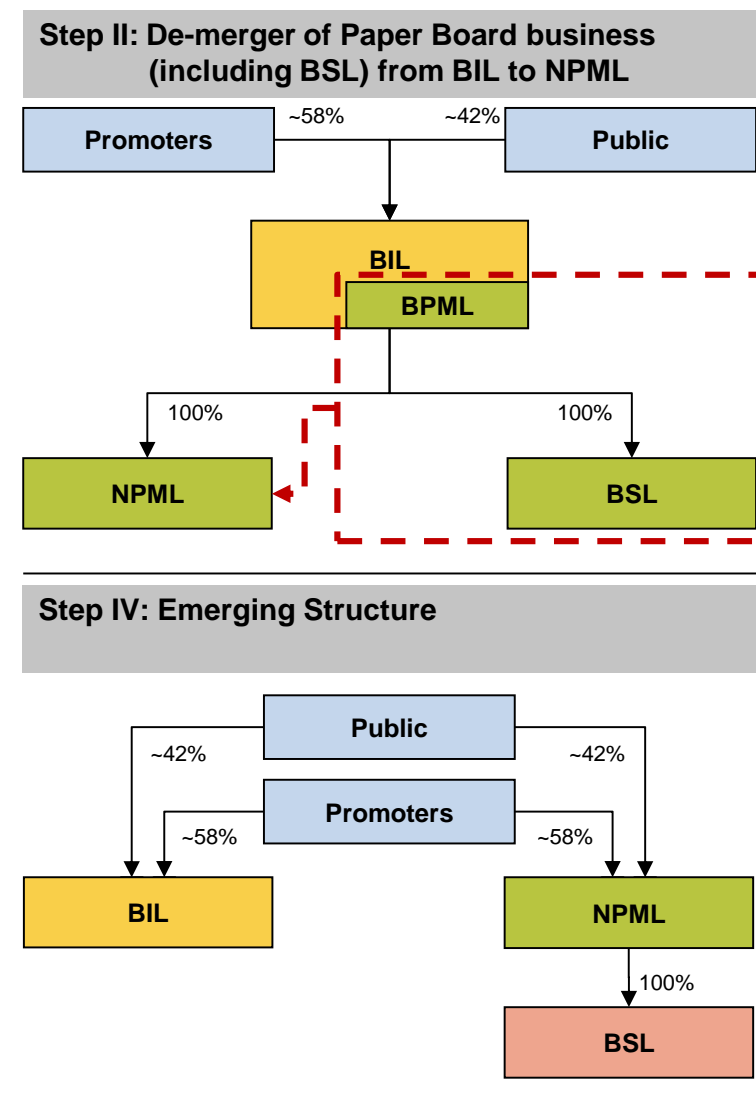
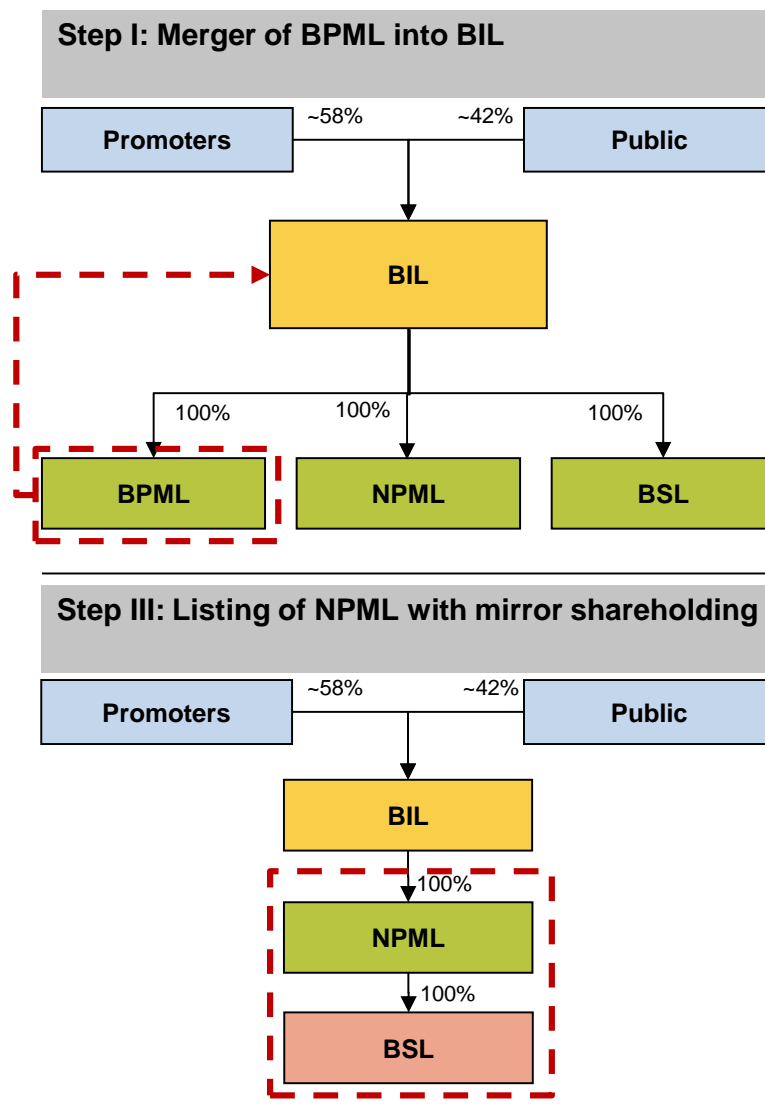
The Hon'ble High Court of Bombay at Mumbai vide its order dated December 19, 2014 has approved the Composite Scheme of Arrangement whereby:

- i. Balkrishna Paper Mills Limited ("**BPML**") stands amalgamated with Balkrishna Industries Limited ("**BIL**"). Pursuant to same, shareholding of BIL in BPML will be cancelled and no shares will be issued consequent to the said amalgamation;
- ii. Paper board business of BIL along with its investment in wholly owned subsidiary Balkrishna Synthetics Limited ("**BSL**") (together the "**Paper Division Undertaking**") de-merged into NPML ("**De-merger**"). Pursuant to the said De-merger, shareholders of BIL will be issued shares of NPML in the same proportion as held by them in BIL and the existing shareholding of BIL in NPML will be cancelled

The rationale for the Scheme is given below:

- (a) BIL, by itself and through its subsidiaries, is engaged in two distinct lines of business namely (i) manufacturing and marketing of pneumatic tyres; and (ii) other businesses inter alia, manufacturing and marketing of paper boards and processing of textile fabrics.
- (b) The nature of risk and competition involved in the aforesaid line of businesses are distinct from each other necessitating different management and growth focus. Consequently, the aforesaid businesses require different set of investors, strategic partners, lenders and other stakeholders for their growth.
- (c) BIL is one of the market leaders in the pneumatic tyre business and has embarked on a growth strategy to consolidate its position. The packaging industry in India has been witnessing a strong growth and the paper board business is well positioned to capitalize on this growth. Paper board business, together with investment in Balkrishna Synthetics Limited, as a separate legal entity independent of BIL will result in a focused independent management and streamline the operations to achieve the growth potential of paper board business. It would also provide access to varied sources of raising funds for the growth of this business.
- (d) With a view to realize the aforesaid growth potentials, BIL proposes to re-organize and segregate, by way of a scheme of arrangement, its business, undertaking and investments in the paper board business. It is believed that the proposed scheme of arrangement will create enhanced value for shareholders and allow a focused growth strategy, which would be in the best interest of BIL, its shareholders, creditors and all other stakeholders of BIL. The restructuring proposed by this scheme of arrangement will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.

- **Step I:**
 - Merger of BPML with its parent BIL
- **Step II:**
 - De-merger of Paper Board Business along with BIL's investment in BSL from BIL to NPML
- **Step III:**
 - NPML to issue shares to shareholders of BIL in the same proportion as their holding in BIL
 - Shareholding of BIL in NPML to be cancelled
 - NPML to be listed on same stock exchanges as BIL
- **Step IV:**
 - Emerging structure showing two independent listed entities



Note:

1. **BIL:** Balkrishna Industries Limited; **BPML:** Balkrishna Paper Mills Limited; **BSL:** Balkrishna Synthetics Limited; **NPML:** Nirvikara Paper Mills Limited

Consideration:

Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in NPML, NPML shall allot to each member of BIL, whose name is recorded in the register of members on the Record Date, in accordance with the terms of the Scheme one fully paid up equity share of Rs. 10 of NPML each credited as fully paid up for every Nine fully paid equity share of Rs. 2 each held by such shareholder or his/her/its heirs, executors, administrators or successors in BIL.

In case any member's holding in BIL is such that such member becomes entitled to a fraction of one equity share of NPML, NPML shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the board of directors of BIL in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.

Statement of Tax Benefits

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

**To
The Board of Directors
Nirvikara Paper Mills Limited
A/7, Trade world, Kamala City,
Senapati Bapat Marg,
Lower Parel(W),
Mumbai – 400013**

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Nirvikara Paper Mills Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express an opinion or provide any assurance as to whether:

- ▶ the Company or its shareholders will continue to obtain these benefits in future; or
- ▶ the conditions prescribed for availing the benefits, where applicable have been/would be met.

**For JAYANTILAL THAKKAR & CO.
CHARTERED**

ACCOUNTANTS

(FIRM REG. NO.

104133W)

VIRAL A.

MERCHANT

**PARTNER
MEMBERSHIP NO.**

116279

PLACE: Mumbai

DATE: 6th April, 2015

**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO
NIRVIKARA PAPER MILLS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India.

A. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. Special tax benefits available to the Company

As per the provisions of section 80-IA of the Act, the Company is eligible to claim a deduction to the extent of 100% of the profits derived from generation or generation and distribution of power. Such deduction would be available for ten consecutive assessment years. The benefit is available subject to fulfillment of prescribed conditions. At present, no benefit under this section is allowed with respect to any such undertaking which begins to generate or generation and distribute power at any time after 31st day of March 2014 unless the same is further extended to any future date.

2. General Tax Benefits available to the Company

a. Business income

- Under section 32 of the Act, the company is entitled to claim depreciation subject to the specified conditions and at the prescribed rates on assets used for the purposes of business. In case of any new plant and machinery (other than specified exclusions) acquired by the Company, the company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the Act.

Unabsorbed depreciation, if any, for any assessment year can be carried forward and set off against any source of income of subsequent assessment years as per

section 32 of the Act. There is no time limit for set off or carry forward of unabsorbed depreciation.

- As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred by an Indian company before commencement of business or after commencement of business in connection with extension of an undertaking or setting up a new unit shall be allowed a deduction equivalent to one-tenth of such expenditure for each of the ten successive financial years beginning with the financial year in which the business is commenced/ extended. However, any deduction in excess of 5% of cost of project/ capital employed would be ignored.
- As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, wholly and exclusively for the purpose of amalgamation/ demerger of an undertaking shall be allowed as deduction to the extent of one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation/ demerger takes place.
- As per the provisions of Section 72A of the Act, pursuant to business re-organisations (such as amalgamation, demerger, etc), the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfillment of prescribed conditions.

b. MAT credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid for any assessment year against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off from assessment year 2010-11 onwards for upto 10 years succeeding the assessment year in which the MAT credit arises.

c. Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and

long-term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ("LTCG"). In respect of any other capital assets, the holding period should exceed thirty-six months to be considered as long-term capital assets.

- Short Term Capital Gains ("STCG") means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax ("STT") and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceeds 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by, the assessee. No deduction under Chapter VIA is allowed from such income.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. Such surcharge rate would stand increased to 10% where the taxable income of the domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gain from income- tax

- Under Section 54EC of the Act, capital gains arising from transfer of long term capital assets [other than those exempt under section 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by:

- National Highway Authority of India (“NHA”) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (“REC”), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/ conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.

d. Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

e. Dividends

- As per provisions of Section 10(34) read with Section 115O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Domestic Company distributing dividends will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. Rule 8D of Income Tax Rules provides calculation for determining deemed expenses for earning exempt income.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) upto 31 March 2014.
- For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.

f. Buy-back of shares

- As per Section 115QA of the Act, an unlisted Indian company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by such company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares.

g. Other Provisions

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

B. Benefits available to the Resident members/ shareholders of the Company under the Act

a. Dividends exempt under section 10(34)

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members/ shareholders from a Domestic Company is exempt from tax. The Domestic Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 10% on the dividend distribution tax and education cess and secondary & higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. Rule 8D of Income Tax Rules provides calculation for determining deemed expenses for earning exempt income.

b. Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets. STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity

oriented fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per the amendment to Chapter VII of Finance Act (No 2) of 2004, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the aforesaid Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. No deduction under Chapter VIA is allowed from such income.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], where such transaction is not chargeable to STT, is taxable at the rate of 30% in case of domestic company and at normal slab rates in case of other assesseees.
- As per the provisions of Section 10(34A) of the Act, any income arising to shareholders on account of buy-back of unlisted shares referred to in Section 115QA, shall be exempt in the hands of the shareholders as per Sec 10(34A).
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. Such surcharge rate would stand increased to 10% where the taxable income of the domestic company exceeds Rs 100,000,000. Further,

education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- In the case of a taxpayer other than domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 10% where the taxable income of the taxpayer exceeds 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gain from income - tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
 - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
 - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less

than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

c. Other Provisions

- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

C. Benefits available to the Non-resident shareholders of the Company under the Act

a. Dividends exempt under section 10(34)

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

b. Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty-six months to be considered as long-term capital assets.
- STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock

exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds held by an assessee for 12 months or less.

- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per the amendment to Chapter VII of Finance Act (No 2) of 2004 sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the aforesaid Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 112 of the Act, LTCG arising out of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on transfer need to be computed by converting the Cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased, the resultant gains thereafter need to be reconverted into Indian currency as per Rule 115 of Income Tax Rules, 1962. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits. No deduction under Chapter VIA is allowed from such income.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set

up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.
- As per the provisions of Section 115QA, any income arising to shareholders on account of buy-back of shares as referred to in Section 77A of the Companies Act, 1956 shall be exempt in the hands of the shareholders.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000. Such surcharge rate would stand increased to 5% where the taxable income of the domestic company exceeds Rs 100,000,000.
- Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gain from income-tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer conversion.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. Rule 8D of Income Tax Rules provides calculation for determining deemed expenses for earning exempt income.
- The characterization of the gain/ losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

c. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate of his being resident in any country outside India to be obtained by him from the Government of that country. Further, he is also required to submit a declaration in Form 10F as specified under Rule 21AB of Income Tax Rules, 1962 in order to claim benefits under the applicable tax treaty.

d. Taxation of Non-resident Indians

- Special provisions in case of Non-Resident Indian ("NRI") in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired/ purchased/ subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10%
- As per provisions of Section 115E of the Act, income [other than dividend which is exempt under Section 10(34)] from investments and LTCG [other than gain exempt under Section 10(38)] from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20%. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per the provisions of Section 115F of the Act. LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets as per Sec 115C(f) or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis.
- As per the provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income and/or LTCG from such foreign exchange asset specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he/ she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he/ she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him/ her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115-I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
- As per the provisions of Section 10(34A) of the Act, any income arising to shareholders on account of buy-back of unlisted shares referred to in Section

115QA, shall be exempt in the hands of the shareholders as per Sec 10(34A).

D. Benefits available to Foreign Institutional Investors ("FIIs") under the Act

a. Dividends exempt under section 10(34)

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The domestic Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

b. Long-term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale of equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c. Capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% [Except Interest referred in Sec 194LD on which tax would be levied at 5%] (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of Income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- As per provisions of 196D of the Act, taxes shall not be withheld from any income in the nature of capital gains arising to FII from transfer of securities specified in Section 115AD of the Act. Further, capital gains arising on transfer of other securities would be subject to withholding tax at the rate of 20%.
- Any interest income arising to FIIs in respect of investment in rupee denominated bonds of an Indian company or a Government security between 1 June 2013 and 1 June 2015 would be subject to tax at 5%.
- For corporate FIIs, the tax rates mentioned above stands increased by a surcharge, payable at the rate of 2% where the taxable income exceeds Rs 10,000,000. Such surcharge would stand increased to 10% where the taxable income exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.
- As per the provisions of Section 10(34A) of the Act, any income arising to shareholders on account of buy-back of unlisted shares referred to in Section 115QA, shall be exempt in the hands of the shareholders as per Sec 10(34A).

d. Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

e. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate of his being resident in any country outside India to be obtained by him from the Government of that country. Further, he is also required to submit a declaration in Form 10F as specified under Rule 21AB of Income Tax Rules, 1962 in order to claim benefits under the applicable tax treaty.
- The characterization of the gain/ losses, arising from sale transfer of shares as

business income or capital gains would depend on the nature of holding and various other factors.

E. Benefits available to Venture Capital Companies/Funds under the Act

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

F. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

G. Benefits available under the Wealth tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

Note: All the above benefits are as per the current tax laws and will be available only to the sole first name holder where the shares are held by joint holders.

Capital Structure

Share Capital

Pre-Scheme

Particulars	Amounts in Rs.
Authorised Capital	
50,000 Equity Shares of Rs. 10/-each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-Up	
50,000 Equity Shares of Rs.10/-each	5,00,000
Total	5,00,000

Post-Scheme

Particulars	Amounts in Rs.
Authorised Capital	
1,10,00,000 Equity Shares of Rs. 10/-each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Paid-Up	
1,07,39,844 Equity Shares of Rs. 10/-each	10,73,98,440
Total	10,73,98,440

Pursuant to the Composite Scheme of Arrangement, the Company has issued and allotted to each of the members of BIL whose name is recorded in the register of members as members of BIL on the Record Date, equity shares in the Company in the ratio of 1 (One) equity share in the Company of the face value of Rs. 10/- (Rupees ten only) each credited as fully paid-up for every 9 (Nine) equity shares of Rs. 2/- (Rupees two only) each fully paid-up held by such member in BIL.

Notes to Capital Structure

The Company was incorporated with the Authorised Capital of Rs. 5,00,000/-(Rupees five lakhs only) divided into 50,000 (Fifty thousand) equity shares of Rs.10/-(Rupees ten only) each. These shares were held by BIL. Upon the effectiveness of the Scheme, the initial

paid-up capital of Rs. 5,00,000/-is reduced.

The authorised share capital of the Company was increased to Rs. 11,00,00,000 on February 12, 2015.

Company History and Management

The Company was originally incorporated on June 29, 2013 under the provisions of the Companies Act, 1956, in the name and style of Nirvikara Paper Mills Limited having Registered Office originally situated at BKT House, C/15 Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 and having Corporate Identity Number U21098MH2013PLC244963. The Company obtained the Certificate of Commencement of Business on August 22, 2013. The Registered Office of the Company was shifted to A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400 013 on February 11, 2015.

The Main Objects of the Company *inter alia* are:

“To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting, or otherwise handling of or dealing in papers and boards of all kinds including straws board, grey board, mill board, card board, box board, duplex board, triplex board and writing, printing, wall and ceiling papers and articles made from paper or pulp and materials used in the manufacture or treatment of papers and boards, to carry on the business of stationers, lithographers, printers, publishers, manufacturers of, and dealers in, paper and board boxes of all types and cartons”

Changes in the Memorandum and Articles of Association

On February 12, 2015, pursuant to shareholders’ approval, following incidental/ ancillary objects were added in the Memorandum of Association:

26 (a) To Carry on and to invest in the Company carrying on business of power generation by various conventional and non conventional methods and technologies including but not limited to wind, solar, hydel, geo-hydel, tidal waves, bio-mass, coal, gas, lignite, oil, waste and thermal etc., and by using methods and technologies that are existing today, but may be invented in future.

26(b) To generate, accumulate, transmit, distribute, supply and trade in electricity for the purpose of light, heat, motive power and for any and all other purposes for which electrical energy can be employed and to manufacture and deal in all apparatuses and things required for or capable of being used in connection with the generation, transmission, distribution, supply, or otherwise trade in, accumulation and employment of electricity, all power that may directly or indirectly derived there from or may be incidentally hereafter discovered while generation electricity and to establish, operate and maintain generating stations, substations,

transmission lines, dedicated transmission lines and distribution systems and to carry on the business of trading in electricity in any form and of general electric power supply company in all the branches and to construct, lay down, establish, fix and carry out necessary power stations, cables wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places of both public and private and to supply energy.

The Company adopted new set of Articles of Association, please refer to section “Articles of Association” for further details.

Change in Authorised Share Capital

The Company was incorporated with an Authorised Share Capital of Rs. 5,00,000/-(Rupees five lakhs only) divided into 50,000 (Fifty thousand) equity shares of Rs. 10/-(Rupees ten only) each.

The Authorised Share Capital of the Company was further increased to Rs. 11,00,00,000/- (Rupees Eleven crore only) divided into 1,10,00,000 (One crore and ten lakh only) equity shares of Rs. 10/- (Rupees ten only) pursuant to the Composite Scheme of Arrangement on February 12, 2015.

Subsidiaries (including step-down subsidiaries) of the Company

As at the date of submission of this Information Memorandum following are the subsidiaries of the Company:

- Balkrishna Synthetics Limited

Shareholders Agreement

There exists no separate agreement executed between any shareholder and the Company.

Strategic/Financial Partners and Other Material Contracts

The Company does not have any strategic/financial partners or has not entered any material contracts other than in ordinary course of business.

Management

The overall management is vested in the Board of Directors, comprised of qualified and

experienced persons and the day-to-day business operations are managed by the Managing Director and the Chief Financial Officer under the general superintendence and control of the Board of Directors.

Board of Directors as on the date of filing the Information Memorandum

Name of Directors, Age in years, Designation, Occupation, Father's Name and Address	Date of Appointment	Other Directorships
<p>Shri. Harish Narendra Motiwalla</p> <p>Age: 69 years</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Fathers Name: Shri. Narendra Motiwalla</p> <p>Address: 186/7 Enterprise Apartments, Forjett Hill Road, Tardeo, Mumbai, 400036</p>	<p>February 11, 2015</p>	<ol style="list-style-type: none"> 1. Balkrishna Synthetics Ltd. 2. Excel Industries Ltd. 3. Hitech Plast Limited 4. Multibase India Limited 5. Ashapura Mine Chem Limited 6. Gujarat Organics Limited 7. Siyaram Silk Mills Limited 8. Cable Insurance Broking Services Private Limited 9. LIC Nomura Mutual Fund Trustee Company Private Limited
<p>Shri. Rakesh Kumar Garodia</p> <p>Age: 51 years</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Fathers Name: Shri. Nathmal Garodia</p> <p>Address: 4, Piramal Industrial Estate, S. V. Road, Goregaon (West), Mumbai, 400062</p>	<p>February 11, 2015</p>	<ol style="list-style-type: none"> 1. Penguin Electronics Ltd 2. Sawini Finvest Private Limited 3. Galaxy Moulders Private Limited 4. Swasti Vinayaka Synthetics Limited 5. Ashirwad Capital Limited 6. Swasti Vinayak Art and Heritage Corporation Limited

Name of Directors, Age in years, Designation, Occupation, Father's Name and Address	Date of Appointment	Other Directorships
<p>Shri. Sachin Nath Chaturvedi</p> <p>Age: 64 years</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Fathers Name: Shri. Bhupendra Nath Chaturvedi</p> <p>Address: 2803/04 28th Floor, Shreepati Arcade, A K Marg, Nana Chowk, Mumbai, 400036</p>	February 11, 2015	<ol style="list-style-type: none"> 1. N R Agarwal Industries Limited 2. Tufropes Private Limited 3. Balkrishna Industries Limited 4. Jai Corp Limited 5. ValuDel Consultancy Private Limited 6. Jai Realty Ventures Limited
<p>Shri. Anurag Poddar</p> <p>AGE: 33 years</p> <p>Designation: Chairman & Managing Director</p> <p>Occupation: Industrialist</p> <p>Fathers Name: Shri. Pawankumar Poddar</p> <p>Address: 1501, Nepean House, 15th Floor, Nepean Sea Road, Mumbai, 400006</p>	February 11, 2015	<ol style="list-style-type: none"> 1. Wavelink Commercials Private Limited 2. DPP Trading Private Limited
<p>Shri. Ankit Poddar</p> <p>AGE: 26 years</p> <p>Designation: Executive Director</p> <p>Occupation: Service</p> <p>Fathers Name: Shri. Pramodkumar Poddar</p> <p>Address: 52, Mount Unique, 62, A Poddar Road, Mumbai, 400026</p>	February 11, 2015	Nil
<p>Shri. Shrutisheel Jhanwar</p> <p>AGE: 40 years</p> <p>Designation: Whole Time Director Chief Financial Officer</p> <p>Occupation: Service</p>	February 11, 2015	Nil

Name of Directors, Age in years, Designation, Occupation, Father's Name and Address	Date of Appointment	Other Directorships
Fathers Name: Shri. Om Prakash Jhanwar Address: Bldg no. 6, Flat No. 404, Minal Mandir Anmol Nagar, CHS Ltd, Opp Leela Business Park Andheri Kurla Rd, Mumbai Andheri East, 400059		
Smt. Meghna Shah AGE: 36 years Designation: Independent Director Occupation: Service Fathers Name: Mahesh Shah Address: 24, Neel Tarang, Veer Savarkar Marg, Mahim, Mumbai – 400 016	February 11, 2015	Nil

Brief Profile of Directors

Shri. Harish Narendra Motiwalla, Independent Director of our company who is holding a Bachelor's degree in Commerce and also a Bachelor's degree in Law. He is a Fellow member of the Institute of Chartered Accountants of India and is a former President of Bombay Chartered Accountants Society and past Chairman of the Western Regional Council of the Institute of Chartered Accountants of India (ICAI). He was also Central Council Member of ICAI for 9 years. He has an expertise in specific functional areas of Accounting, Audit, Finance, Taxation, Corporate Governance and Company Law.

Shri. Rakesh Kumar Garodia, Independent Director, is B.Com by qualification. He is having more than 31 years of experience in the field of corporate affairs and Financial Accounting. His experience and foresight on the Board is an asset to the Company. He is also positioned as Independent Director on the Board of Swasti Vinayaka Synthetics Limited

Shri. Sachin Nath Chaturvedi, Independent Director holds a bachelors' degree with honours in technology. He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a master's in business administration. He has over 20 years of experience as a practicing Chartered Accountant. He is a partner of Messrs Chaturvedi & Co., Chartered Accountants. He has varied experience of audit of banks, financial institutions, public sector

units and many large companies. He also has valuable experience in monitoring/ inspecting/ investigating of units/ companies at the behest of banks/ financial institutions/ income-tax authorities/ High Courts/Company Law authorities as well as inspection of books of mutual funds/ stock exchange brokers/ plantation companies on behalf of SEBI.

He is also a director of Balkrishna Industries Limited, Jai Corp Limited, Jai Realty Ventures Limited, N.R. Agarwal Industries Limited and other private limited companies.

Shri. Anurag Poddar, Chairman and Managing Director has completed his Bachelor of Science from Drexel University - College of Business and Administration and perused for MBA in finance from the same university and completed in 2006. He has served as Executive Director on Board of Balkrishna Industries Ltd for more than 3 years and joined initially as Director on the Board of NPML. He is having over 7 years of experience Finance, Marketing, Technical, Production, Sale, and Export, etc.

Shri. Ankit Poddar, Executive Director joined the Company as Management Trainee in the year 2010 and promoted as Director on the Board of the Company. He is Bachelor of Science (Management) specialised in Marketing and finance from Purdue University, USA.

Shri. Shrutisheel Jhanwar, Whole-Time Director and Chief Financial Officer holding professional degree of Chartered Accountant (as Fellow Member of Institute of Chartered Accountants of India) and having 18 years of rich experience in various capacities in various industries like Cement, Textile, finance and paper companies. His expertise in profession includes finance, accounts, audit, legal and administrator and has contributed immensely as a Whole-time Director in managing the affairs of the company.

Smt. Meghna Shah, Independent Director. She is holding the degree of Bachelor of Commerce and Chartered Accountant, an Associate Member of the Institute of Chartered Accountants of India, having expertise in the field of Accounting and Finance. She is having rich experience of over 10 years. She has worked with Johnson and Johnson Ltd. at managerial level for more than 6 years and is currently associated with Shah Legal, an advocate consultancy firm.

Any relationship between directors

Shri Anurag Poddar and Shri Ankit Poddar are related by being first cousins. There is no relation between other directors.

Interest of Director

Name of the	Directorship in other Company	Shareholding in other
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directors		Company
Harish Narendra Motiwalla	<ol style="list-style-type: none"> 1. Balkrishna Synthetics Limited 2. Excel Industries Limited 3. Hitech Plast Limited 4. Gujarat Organics Limited 5. Ashapura Minechem Ltd 6. Multibase India Limited 7. Siyaram Silk Mills Limited 8. Cable Insurance Broking Services Private Limited 9. LIC Nomura Mutual Fund Trustee Company Private Limited 	Nil
Rakesh Kumar Garodia	<ol style="list-style-type: none"> 1. Penguin Electronics Ltd 2. Sawini Finvest Private Limited 3. Galaxy Moulders Private Limited 4. Swasti Vinayaka Synthetics Limited 5. Ashirwad Capital Limited 6. Swasti Vinayak Art and Heritage Corporation Limited 	Nil
Sachin Nath Chaturvedi	<ol style="list-style-type: none"> 1. N R Agarwal Industries Limited 2. Tufropes Private Limited 3. Balkrishna Industries Limited 4. Jai Corp Limited 5. Valudel Consultancy Private Limited 6. Jai Realty Ventures Limited 	Nil
Anurag Poddar	<ol style="list-style-type: none"> 1. Wavelink Commercials Private Limited 2. Dpp Trading Private Limited 	<ol style="list-style-type: none"> 1. Siyaram Silk Mills Ltd 2. S P Finance And Trading Limited 3. Vishal Furnishing Limited

		4. Santiago Textile Mills Limited 5. Beetee Textile Industries Limited 6. Spg Power Limited 7. Spg Infrastructure Limited
Ankit Poddar	Nil	1. Siyaram Silk Mills Ltd 2. S P Finance And Trading Limited 3. Vishal Furnishing Limited 4. Santiago Textile Mills Limited 5. Beetee Textile Industries Limited 6. SPG Power Limited 7. SPG Infrastructure Limited
Shrutisheel Jhanwar	Nil	Nil
Meghna Shah	Nil	Nil

Compensation of the Whole-Time Directors

Name of the Whole-Time Director	Compensation to Whole Time Director
Shri Anurag Poddar	Rs. 42,00,000 p.a
Shri Ankit Poddar	Rs. 42,00,000 p.a
Shri ShrutisheelJhanwar	Rs. 42,00,000 p.a

Shareholding of Directors as on March 31, 2015 (date of allotment of shares)

Name of the directors	No. of shares in NPML
Harish Narendra Motiwalla	Nil
Rakesh Kumar Garodia	Nil

Sachin Nath Chaturvedi	Nil
Anurag Poddar	11
Ankit Poddar	11
Shrutisheel Jhanwar	25
Meghna Shah	Nil

Corporate Governance

The Company is fully compliant with the provisions of Clause 49 of the Listing Agreement and the details are as follows:

The Board of Directors of the Company comprises of 7 Directors, of which 4 are Independent Directors, 4 Non-Executive Directors and 3 Executive Directors.

The Board has *vide* their resolution dated February 11, 2015 constituted Audit Committee, Shareholders/Investor's Grievance Committee and Compensation Committee as required under Clause 49 of the Listing Agreement as under:

Committee	Name of the Director	Category
Audit Committee	Sachin Nath Chaturvedi	Chairman
	Rakesh Kumar Garodia	Member
	Shrutisheel Jhanwar	Member
Shareholders' and Investors Grievance Committee	Rakesh Kumar Garodia	Chairman
	Anurag Poddar	Member
	Shrutisheel Jhanwar	Member
Compensation Committee	Sachin Nath Chaturvedi	Chairman
	Rakesh Kumar Garodia	Member
	Shrutisheel Jhanwar	Member
	Harish Narendra Motiwalla	Member

(Company Secretary acts as the secretary to above mentioned Committees)

The role, powers, scope of functions and duties of the Audit Committee, Shareholders/Investor's Committee and Compensation Committee of the Board are as per the applicable provisions of the Companies Act and Clause 49 of the Listing Agreement.

The Board of Directors, at its Meeting held on February 11, 2015 has approved the Code of Conduct for the Members of the Board and Senior Management. Same has been uploaded on Company's website www.npml.com.

Date of Expiry of current term of Office of Directors

Name of the Whole-Time Director	Expiry of Current term	Compensation to Whole Time Director
Shri Anurag Poddar	February 10, 2018	Rs. 42,00,000 p.a

Shri Ankit Poddar	February 10, 2018	Rs. 42,00,000 p.a
Shri Shrutisheel Jhanwar	February 10, 2018	Rs. 42,00,000 p.a

Key Management Personnel

Shri Anurag Poddar, Chairman and Managing Director

(for detailed profile, please refer to “Brief Profile of Directors”)

Shri Ankit Poddar, Executive Director

(for detailed profile, please refer to “Brief Profile of Directors”)

Shri Shrutisheel Jhanwar, Whole-Time Director and Chief Financial Officer

(for detailed profile, please refer to “Brief Profile of Directors”)

Shri Rajesh Solanki, Company Secretary Commerce graduate and Associate Member of Institute of Company Secretaries of India was appointed on February 11, 2015. He is having around 6 years of experience in compliance of listed companies with legal working knowledge.

- Shareholding of KMPs

Name of KMP	No. Of Shares	% of shareholding
Shri Anurag Poddar	11	0.00
Shri Ankit Poddar	11	0.00
Shri Shrutisheel Jhanwar	25	0.00
Shri Rajesh Solanki	Nil	0.00

Promoters

- 1. Ramesh D. Poddar**, is the Chairman and Managing Director of Siyaram Silk Mills Limited a flagship Company of Siyaram-Poddar Group of Companies having aggregate turnover of around Rs.4,000 crore. Mr. Ramesh Poddar after completing his Degree in Science joined the family business, which was at the time mainly in Rubber, Paper and Textile. Post which, Mr. Poddar ventured into a new line of business in manufacturing Suitings and Shirtings in the name of Siyaram's. Very quickly, he understood nuances of business thoroughly and has become a great architect in the success of Siyaram's since its inception. He has created a strong

brand, excellent marketing network and with variety of products in line with the concept of 'Value For Money'. Siyaram's name has since witnessed uninterrupted growth story and consistent performance in spite of ups and downs in the textile industry. His continued efforts has helped the company to turn it into an organization of excellence in the textile industries in domestic and global market and the company continues to progress under his management and control with increasing sales turnover year-after-year.

Apart from being respected businessman, Mr. Ramesh Poddar is also involved in the social activities. He has established a Higher Secondary School for Girls at Fatehpur, Rajasthan. The School is fully equipped with latest technology to impart to the Poor in the Remote places like Rajasthan.

He is also keen instrumental in setting up a Hospital at Tarapur near Mumbai, which is catering in the needs of the Workers and their Families at Tarapur, Boisar and nearby places. He has total professional experience of over 40 years

2. **Arvind Poddar** He is the Chairman & Managing Director of Balkrishna Industries Limited ("**BIL**"), a conglomerate known for its flagship brand 'BKT', one of the worldwide leaders in Off-Highway Tyres with a turnover exceeding Rs. 3,800 crore and having business interests in Tyres, Real Estate and Textiles & Apparels.

Under his leadership, BIL has today grown to achieve a market penetration spanning more than 130 countries, including offices in Italy, US and Canada supporting its headquarters in Mumbai, India.

His sharp intellect and passionate work ethic strengthened BIL in developing into a comprehensive responsible organization with a very strong R&D infrastructure, backed by a customer centric, passionate and dedicated team. He has strived to maintain a close-knit relationship with their partners reinforcing the underlining philosophy of "Growing Together."

He realized early that the foundation of the company has to be built on the pillars of R&D, technology and best-in-class quality. The strong focus on these aspects led to a category leading turnaround time for new designs. This has led to a product range of more than 2000 SKU's and counting, offering the best choice and flexibility to its worldwide consumers. His commitment to quality is testified with the adherence to the strictest quality benchmarks with international certifications such as ISO 9001-2008 & ISO 14001-2004.

It's his vision and efforts that BIL is today credited as one of the select homegrown multinational companies to have created a globally successful brand. It is on track of achieving its goal of US \$2 Billion by 2020.

Born in 1957, Mr. Arvind Poddar has a total professional experience of over 37 years. He is graduate in Commerce from Mumbai University.

Promoter Group

- List of Promoter Group (Individuals and entities)

Sr. No.	Name of Promoters	Corporate/ Residential address	PAN
1.	Shri Dharaprasad Ramrikhdas Poddar	85, Mount Unique, 62 A Peddar Road, Mumbai 400026	AACPP2356A
2.	Smt. Geetadevi Dharaprasad Poddar	85, Mount Unique, 62 A Peddar Road, Mumbai 400026	AACPP2357B
3.	Shri Rameshkumar Dharaprasad Poddar	1001 Nepean House, Nepean Sea Road, Mumbai - 400 006	AACPP2359R
4.	Smt. Ashadevi Rameshkumar Poddar	1001 Nepean House, Nepean Sea Road, Mumbai - 400 006	AACPP2358Q
5.	Shri Pawankumar Dharaprasad Poddar	1401 Nepean House, Nepean Sea Road, Mumbai - 400 006	AACPP2360E
6.	Smt. Madhudevi Pawankumar Poddar	1401 Nepean House, Nepean Sea Road, Mumbai - 400 006	AACPP2361F
7.	Shri Avnish Pawankumar Poddar	2201, Raheja Atlantis, Ganpatrao Kadam Marg, Mumbai 400013	AACPP1927H
8.	Shri Anurag Pawankumar Poddar	1401 Nepean House, Nepean Sea Road, Mumbai - 400 006	AACPP1926G
9.	Smt. Sangeeta Pramodkumar Poddar	52, Mount Unique, 62-A. Peddar Road, Mumbai - 400 026	AACPP2350G
10.	Shri Gaurav Pramodkumar Poddar	52, Mount Unique, 62-A. Peddar Road, Mumbai - 400 026	AACPP1923D
11.	Shri Ankit Pramodkumar	52, Mount Unique, 62-A. Peddar	AACPP1924E

Sr. No.	Name of Promoters	Corporate/ Residential address	PAN
	Poddar	Road, Mumbai - 400 026	
12.	Shri Shrikishan Dharaprasad Poddar	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP2362G
13.	Smt. Vibha Shrikishan Poddar	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP2351H
14.	Shri Abhishek Shrikishan Poddar	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP1925F
15.	Shri Harshit Shrikishan Poddar	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP1922C
16.	Smt. Shyam lata Sureshkumar Poddar	82, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP2349H
17.	Shri Rishabh Sureshkumar Poddar	82, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAPP9325R
18.	Shri Arvindkumar Mahabirprasad Poddar	94, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP2352E
19.	Smt. Vijaylaxmi Arvindkumar Poddar	94, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP2353F
20.	Shri Rajiv Arvindkumar Poddar	93, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP1928J
21.	Shri Rajiv Poddar	93, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AACPP1928J
22.	Smt. Khushboo Rajiv Poddar	93, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AHZPM9228N
23.	Gaurav Poddar (karta of Pramodkumar HUF)	52, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAHP0490F
24.	Dharaprasad Poddar (Karta of Dharaprasad & Sons HUF)	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAHD0297E
25.	Dharaprasad Poddar (Karta of Dharaprasad Pramodkumar HUF)	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAHD0316A
26.	Dharaprasad Poddar (Karta of Dharaprasad & Co HUF)	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAHD0296F
27.	Rameshkumar Poddar (Karta of Rameshkumar Poddar & Brothers HUF)	1001 Nepean House, Nepean Sea Road, Mumbai – 400 006	AAHR0505B
28.	Rameshkumar Poddar (Karta of Rameshkumar Poddar&	1001 Nepean House, Nepean Sea Road, Mumbai - 400 006	AAHR0472F

Sr. No.	Name of Promoters	Corporate/ Residential address	PAN
	Co. HUF)		
29.	Pawankumar Poddar (Karta of Pawankumar Poddar & Co. HUF)	1001 Nepean House, Nepean Sea Road, Mumbai - 400 006	AAAHP0491E
30.	ShrikishanPoddar (Karta of Shrikishanpoddar HUF)	85, Mount Unique,62-A.Peddar Road, Mumbai - 400 026	AAAHS0791J
31.	DPP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAHFD2958H
32.	GPP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAJFG2464P
33.	PKP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AALFP7258A
34.	HSP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAFFH7617B
35.	TMP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAGFT3239G
36.	AKP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AARFA8146L
37.	RAP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAMFR2197P
38.	VKP Enterprises LLP	B-307, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013	AAIFV0949B
39.	S. P. Finance & Trading Limited	211, Shiv Shakti Industrial Complex, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011	AABCS9687F
40.	Vishal Furnishing Limited	211, Shiv Shakti Industrial Complex, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011	AAACR2138K
41.	Sanchna Trading &	211, Shiv Shakti Industrial Complex,	AABCS9684G

Sr. No.	Name of Promoters	Corporate/ Residential address	PAN
	Investment Limited	J. R. Boricha Marg, Lower Parel, Mumbai - 400 011	
42.	Balgopal Holding & Traders Limited	C/14, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	AAACB2492G
43.	Poddar Brothers Investment Pvt Limited	C/14, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	AAACP2220J
44.	SP Investrade (India) Limited	C/14, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	AAACW0429J

Group Companies:

- 1. Balkrishna Industries Limited** was incorporated as Papchemi Corporation Limited on November 28, 1961 under Companies Act, 1956. Subsequently, its name was changed to Balkrishna Paper Mills Limited on May 17, 1971 and finally Balkrishna Industries Limited on October 29, 1987. It is engaged in the business of manufacturing of pneumatic tyres. As of March 31, 2014, networth of Balkrishna Industries Limited was Rs. 1,884.80 crore, total income and PAT for year ending March 31, 2014 was Rs. 3,590.55 crore and Rs. 488.37 crore respectively.
- 2. Siyaram Silk Mills Limited** was incorporated as Siyaram Silk Mills Private Limited on June 29, 1978 under Companies Act, 1956. Subsequently, its name was changed to Siyaram Silk Mills Limited on April 16, 1980 pursuant to conversion of private limited to public limited company. It is engaged in the business of manufacturing and marketing of value added yarn, fabrics and ready-made garments. As of March 31, 2014, networth of Siyaram Silk Mills Limited was Rs. 369.62 crore, total income and PAT for year ending March 31, 2014 was Rs. 1,319.20 crore and Rs. 63.57 crore respectively.
- 3. Siyaram Polycote Private limited** was incorporated as Siyaram Polycote Limited on March 15, 2007 under the Companies Act, 1956. Subsequently, its name was changed to Siyaram Polycote Private Limited pursuant to conversion of public limited company to private limited on December 15, 2010. It is engaged in the business of Manufacturing, processing, Spinning of cloths, fabrics, textiles. As of March 31, 2014, networth of Siyaram Polycote Private Limited was Rs. 4.51 crore, total income and

PAT for year ending March 31, 2014 was Rs. 5.97 crore and Rs. 4.25 crore respectively.

4. **SPG Realty Private Limited** was incorporated on March 17, 2007 under the Companies Act, 1956. It is engaged in the business of acquiring, buying, purchase, lease, develop of property, estate, lands, building in software technology park, hardware technology park, free trade zone, special economic zone. As of March 31, 2014, networth of SPG Realty Private Limited was Rs. 39.60 crore, total income and PAT for year ending March 31, 2014 was Rs. 1.97 crore and Rs. 0.28 crore respectively.
5. **Santigo Textile Mills Ltd.** was incorporated as Govind Textiles Private Limited on October 25, 1985 under the Companies Act, 1956. Subsequently, its name was changed to Santigo Textile Mills Private Limited on July 08, 1999 further its name change to Santigo Textile Mills Limited on January 15, 2011 pursuant to Conversion of private limited company into public limited company. It is engaged in the business of manufacturing, weaving, spinning, processing, dying, printing of textile, cotton, jute, silk, rayon, man-made hosiery. As of March 31, 2014, networth of Santigo Textile Mills Ltd. was Rs. 2.32 crore, total income and PAT for year ending March 31, 2014 was Rs. 4.90 crore and Rs. (0.06) crore respectively.
6. **Vishal Furnishings Limited** was incorporated as Rajesh Dinesh Agencies Private Limited on April 16, 1970 under the Companies Act, 1956. Subsequently, its name was changed to Rajesh Dinesh Agencies Limited on conversion of private limited to public limited company on February 09, 1990. Further it name change to Cosmo Synthetics (India) Limited on March 23, 1999 and to Vishal Furnishings Limited on May 03, 2005. It is engaged in the business of acting as an agent, distributor, commercial agent, warehouse men, factor, manufacturer's representative for sale of manufactures articles and things including trade in cloth, yarn, garment, textile readymade goods, etc. As of March 31, 2014, networth of Vishal Furnishings Limited was Rs. 14.97 crore, total income and PAT for year ending March 31, 2014 was Rs. 10.56 crore and Rs. 1.70 crore respectively.
7. **DPP Trading Private Limited** was incorporated as DPP Trading Private Limited on August 04, 2010 under the Companies Act, 1956. It is engaged in the business as Merchant, traders, commission agent, of all kind of agricultural, food product, raw as well as processed of all kind, consumer goods, consumer durables. As of March 31, 2014, networth of DPP Trading Private Limited was Rs. 0.67 lakhs, total income and PAT for year ending March 31, 2014 was Rs. 0.02 lakhs and Rs. (0.10) lakhs respectively.

- 8. Wavelink Commercials Private Limited** was incorporated on March 17, 2010 under the Companies Act, 1956. It is engaged in the business as Merchant, traders, commission agent, of all kind of agricultural, food product, raw as well as processed of all kind, consumer goods, consumer durables. As of March 31, 2014, networth of Wavelink Commercials Private Limited was Rs. 42.63 lakhs, total income and PAT for year ending March 31, 2014 was Rs. 21.55 lakhs and Rs. 21.41 lakhs respectively.
- 9. Poddar Bio-Diesel Private Limited** was incorporated on July 17, 2007 under the Companies Act, 1956. It is engaged in the business of manufacturing of bio-diesel through fermentation and extraction of Jatropha seeds and to develop Jatropa plantation in own and leaseholds land. As of March 31, 2014, networth of Poddar Bio-Diesel Private Limited was Rs. 2.28 crore, total income and PAT for year ending March 31, 2014 was Rs. 0.21 crore and Rs. 0.16 crore respectively.
- 10. SEEOM Fabrics Limited** was incorporated as SEEOM Fabrics Private Limited on March 02, 1994 under the Companies Act, 1956. Subsequently, its name was changed to SEEOM Fabrics Private Limited pursuant to conversion of private limited company in to public limited company on July 09, 2010. It is engaged in the business of buying, selling, manufacturing, producing, processing, leaching, dyeing of yarns, fibres and fabrics. As of March 31, 2014, networth of SEEOM Fabrics Limited was Rs. (0.99) crore, total income and PAT for year ending March 31, 2014 was Rs. 2.19 crore and Rs. (0.32) crore respectively.
- 11. Oxemberg Fashions Limited** was incorporated as Balkrishna Synfab Limited on February 24, 1984 under the Companies Act, 1956. Subsequently, its name was changed to Hanuman Fabrics Limited on August 09, 1985. Further its name change to Oxemberg Apparels Limited on May 28, 1999 and to Oxemberg Fashions Limited on March 30, 2000. It is engaged in the business of manufacturing, processing, spinning, weaving, dyeing, textiles, yarn, fabrics. As of March 31, 2014, networth of Oxemberg Fashions Limited was Rs. 2.76 crore, total income and PAT for year ending March 31, 2014 was Rs. 0.98 crore and Rs. 0.66 crore respectively.
- 12. SPG Power Limited** was incorporated as SPG Holdings Private Limited on October 23, 2007 under the Companies Act, 1956. Subsequently, its name was changed to SPG Power Private Limited pursuant to change of object on February 26, 2008. Further its name change to SPG power Limited on conversion of private limited company to public limited company on October 24, 2008. It is engaged in the business of producing, manufacturing, generation, supplier, purchaser, distributor, transformer, converter of electricity, all form of energy and any such products and

by-product. As of March 31, 2014, networth of SPG Power Limited was Rs. 3.56 crore, total income and PAT for year ending March 31, 2014 was Rs. 0.42 crore and Rs. 0.33 crore respectively.

13. SPG infrastructure Limited was incorporated as SPG infrastructure Private Limited on October 19, 2007 under the Companies Act, 1956. Subsequently, its name was changed to SPG infrastructure Limited pursuant to conversion of private company to public limited company on August 25, 2008. It is engaged in the business of establish and develop Special Economic Zone and Industrial Estates/ Parks, Software technology park, electronic hardware technology park, and as developer, builder, creator, owner, constructor of all kind of Infrastructure facilities. As of March 31, 2014, networth of SPG infrastructure Limited was Rs. 0.90 crore, total income and PAT for year ending March 31, 2014 was Rs. 0.15 crore and Rs. 0.04 crore respectively.

14. BEETEE Textile Industries Limited was incorporated as BEETEE Textile Industries Private Limited on April 02, 1985 under the Companies Act, 1956. Subsequently, its name was changed to BEETEE Textile Industries Limited pursuant to conversion of private limited company to public limited company on September 14, 1993. It is engaged in the business of manufacturing, processing, spinning, weaving, combing, bleaching, colouring, dyeing of cotton, yarn, cloth, silk, rayon, wool, jut, nature and varieties of fibre. As of March 31, 2014, networth of BEETEE Textile Industries Limited was Rs. 9.15 crore, total income and PAT for year ending March 31, 2014 was Rs. 6.34 crore and Rs. (0.07) crore respectively.

15. Sanchna Trading & Finance Limited was incorporated on January 24, 1985 under the Companies Act, 1956. It is engaged in the business of import, export, process of textiles, cotton, silk, rayon, woollen, yarn and fabrics. As of March 31, 2014, networth of Sanchna Trading & Finance Limited was Rs. 10.77 crore, total income and PAT for year ending March 31, 2014 was Rs. 1.76 crore and Rs. 1.29 crore respectively.

16. SP Finance and Trading limited was incorporated as DMR Trading and Investment limited on April 24, 1981 under the Companies Act, 1956. Subsequently, its name was changed to Siyaram Poddar Finance & trading Limited on September 25, 1986. Further its name change to SP Finance and Trading limited on June 24, 2001. It is engaged in the business of an investment company and to buy, underwrite, invest in and acquire and hold shares, stocks, debentures. As of March 31, 2014, networth of SP Finance and Trading limited was Rs. 43.30 crore, total income and PAT for year ending March 31, 2014 was Rs. 2.41 crore and Rs. 1.89 crore respectively.

- 17. Clothing Culture Limited** was incorporated as Clothing Culture Private Limited on July 2, 2012 under the Companies Act, 1956. Subsequently, its name was change to Clothing Culture Limited pursuant to conversion of private limited to public limited company on August 27, 2012. It is engaged in the business of Textiles. As of March 31, 2014, net worth of Clothing Culture Ltd. was Rs. 43.47 crore, total income and PAT for the year ending March 31, 2014 was Rs.148.18 crore and Rs.12.82 crore respectively.
- 18. Balgopal Holdings & Traders Limited** was incorporated as Balgopal Holdings & Traders Limited on June 11, 1982 under the Companies Act, 1956. It is engaged in the business of Investment & Finance. As of March 31, 2014, net worth of Balgopal Holdings & Traders Limited was Rs. 43.56 crore, total income and PAT for the year ending March 31, 2014 was Rs. 24.31 crore and Rs. (2.08) crore respectively.
- 19. S P Investrade (India) Limited** was incorporated as Winmore Trading & Finance Limited on July 1, 1985 under the Companies Act, 1956. Subsequently, its name was change to Winmore Silk Mills Limited, then to Siyaram Investment Llimited, and finally to S P Investrade (India) Limited on September 4, 1986, May 28, 1999, August 6, 2001 respectively. It is engaged in the business of Investment & Finance. As of March 31, 2014, network of S P Investrade (India) Limited was Rs.19.16 crore, total income and PAT for the year ending March 31, 2014 was Rs. 0.27 crore and Rs. 0.11 crore respectively.
- 20. Poddar Brothers Investment Private Limited** was incorporated as Poddar Brothers Investment Limited on December 4, 1979 under the Companies Act, 1956. Subsequently, its name was change to Poddar Brothers Investment Private Limited pursuant to conversion of public limited company to private limited company on July 2, 2012. It is engaged in the business of Investment & Finance. As of March 31, 2014, network of Poddar Brothers Investment Private Limited was Rs. 11.04 crore, total income and PAT for the year ending March 31, 2014 was Rs. 0.37 crore and Rs. 0.22 crore respectively.
- 21. Oxemberg Clothing Private Limited** was incorporated as Oxemberg Clothing Limited on March 16, 2007 under the Companies Act, 1956. Subsequently, its name was change to Oxemberg Clothing Private Limited pursuant to conversion of public limited company to private limited company on April 6, 2011. It is engaged in the business of Textiles. As of March 31, 2014, network of Oxemberg Clothing Private Limited was Rs. 7.55 crore, total income and PAT for the year ending March 31, 2014 was Rs. 9.12 crore and Rs. 7.30 crore respectively.

22. Trendline Commercials Private Limited was incorporated as Trendline Commercials Private Limited on March 17, 2010 under the Companies Act, 1956. It is engaged in the business of Trading. As of March 31, 2014, networth of Trendline Commercials Private Limited was Rs. 0.39 crore, total income and PAT for the year ending March 31, 2014 was Rs. 0.17 crore and Rs. 0.17 crore respectively.

23. MPP Trading Private Limited was incorporated as MPP Trading Private Limited on August 4, 2010 under the Companies Act, 1956. It is engaged in the business of Trading. As of March 31, 2014, networth of MPP Trading Private Limited was Rs. 0.01 crore. There are no operations in the company.

Business Overview

Nirvikara Paper Mills Limited (“**NPML**”) has been in the business of manufacturing of waste-paper based duplex boards (“**Duplex Board Business**”) for more than three decades. Prior to the Scheme of Arrangement, Duplex Board Business was being carried out by Balkrishna Paper Mills Limited.

NPML has structured its business under two verticals comprising Duplex Board Business and Synthetics Business. Duplex Board Business is carried out through NPML whereas Synthetics Business is carried out through Balkrishna Synthetics Limited (“**BSL**”) which is our 100% owned subsidiary.

Our manufacturing facility for Duplex Board Business is based in Ambivali near Kalyan (Maharashtra) and cutting, packing, storing & delivery is based in Bhiwandi near Kalyan (Maharashtra). The installed capacity at our Ambivali plant is 60,000 TPA while we are in the process of installing additional capacity of 60,000 TPA which would be capable of manufacturing duplex based and pulp based boards (value added products). To supplement our duplex board manufacturing, we also have a captive thermal power plant of capacity 4.5MW in same location in Ambivali.

BSL is in the business of processing of textile man made fabrics. The processes done by BSL include scouring, dyeing and mechanical finishing of various textile products (polyester viscose and polywool and furnishing fabric). Processing plant of BSL is located in Tarapur with processing capacity of 36 million meter per annum.

The revenues from each of our businesses for the periods stated are as follows:

(Rs. in crore)

Sr. No.	Business	FY10	FY11	FY12	FY13	FY14	9 months ended December 31, 2014
1	Duplex Board	145.95	162.57	158.30	152.50	165.89	124.24
2	Synthetics	34.77	36.82	39.92	51.53	50.21	35.08

Strengths

1. Established track record

We have been engaged in manufacturing of waste-paper based duplex boards for over

three decades. Over the years we have been recognised for quality of our products and delivery timelines which ensures steady demand for our produce and enables us to plan the production accordingly.

2. Recognised Brand

Owing to the consistency and high quality of our products, we enjoy a strong brand recall in the duplex boards industry. We get repeat orders from most of our customers. Further, such brand recognition also helps us to command a slight premium to market price and pass on changes in raw material costs to our customers.

3. Experienced management team and motivated & efficient work force

We are managed by a team of experienced and professional managers focused on different aspects of the Company including manufacturing, marketing, quality control and finance. The promoters and management have long experience in the industries we operate. Our human resource policy is prepared with a commitment to create an organisation that nurtures talents and motivates its work force.

Business Strategy

1. Continue focus on high quality products

We shall continue to focus on production of high quality duplex based boards by using the optimum waste-material mix. The same shall further strengthen our brand and enable us to establish our foothold in the market segments we operate in.

2. Capacity expansion and production of value added products

We are currently working on expansion of current capacity. The additional capacity of 60,000 TPA will commence trial operations within 5-6 months. The new capacity will enable us to produce pulp based boards which have higher demand and commands a premium over waste-paper based boards.

3. Increase in exports by selling value added products

With commencement of commercial operations of new capacity, we shall focus on increasing our sales from export of pulp based boards which are in high demand in

international markets. Higher exports will also help in hedging our requirements of foreign currency for import of waste-paper/ pulp.

We are currently exploring opportunities in countries like Bangladesh, Gulf countries, South African Countries for value added products as well as paper board products.

Location of Plants

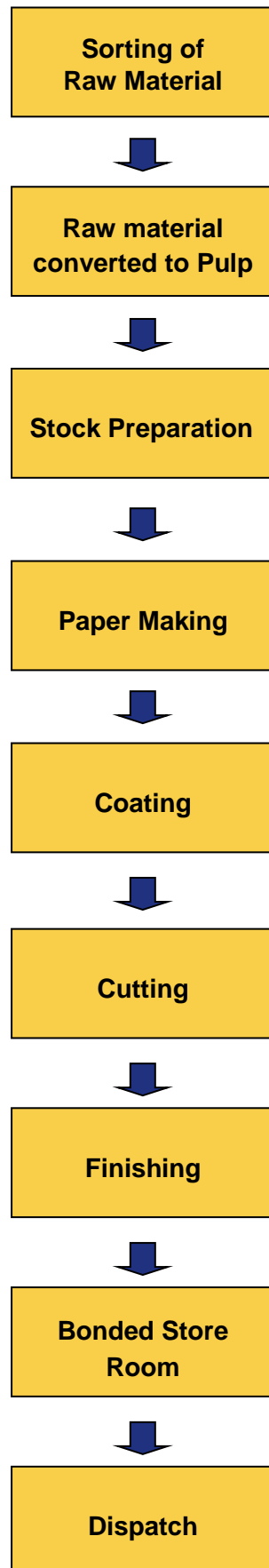
Our manufacturing facility for Duplex Board Business is based in Ambivali near Kalyan (Maharashtra) and cutting, packing, storing & delivery is based in Bhiwandi near Kalyan (Maharashtra). The installed capacity at our Ambivali plant is 60,000 TPA.

Raw Material and other inputs

The main raw material used for duplex boards is waste-paper. Other important inputs are chemicals and power & fuel.

- **Waste-paper:** Waste-paper comprises of our major raw material requirement. We source our requirement for waste-paper from domestic and international markets. Imported waste-paper has better pulp qualities and thereby results in superior product quality. We strive to achieve optimum mix for waste-paper sourced from domestic and international markets to ensure our quality standards are maintained and also manage to keep the costs in check. Sourcing of waste-paper is done through indenters who act as the middle-man between sellers and purchasers. Such indenters work on fixed commission basis and there are no long term arrangements to purchase waste-paper from any particular supplier.
- **Chemicals:** We use a large quantity of chemicals, mainly Bleaching powder, Blinder and Starch, for washing, cleaning and bleaching of waste-paper before bonding of waste-paper takes place at the main machinery.
- **Power & Fuel:** We have a captive thermal power plant of capacity 4.5MW sufficient for our current operations. We source coal from local suppliers for feeding into our captive power plant.

Process of manufacturing



1. **Sorting of raw material:** Grading of raw- material (waste paper) according to quality of output required.
2. **Raw material converted to pulp:** Raw-material passes through water tank and chemical processes to remove unwanted wastes and other materials
3. **Stock preparation:** Pulp created from waste paper is general input for manufacturing. In stock preparation ingredients like chemicals, colours are mixed as per required final output.
4. **Paper making:** Pulp put into machine for final product.
5. **Coating:** It is chemical process to make manufactured board surface smoother.
6. **Cutting:** Paper board is manufactured in jumbo rolls and same is cut according to customer requirement.
7. **Finishing:** It is finished, quality checked before dispatched to customers.
8. **Bonded store room:** Bonded store room is where finished goods are stored before being dispatched.
9. **Dispatch:** Dispatch of finished goods to the location of the customer.

Capacity Expansion

We are in the process of installing additional capacity of 60,000 TPA in Ambivali near our existing facility. The entire manufacturing unit has been procured from Spain financed with proceeds from ECB facility of USD 10 million and internal accruals by our erstwhile parent company BIL.

The new capacity installed will enable us to produce higher quality of duplex boards (pulp based boards). Such boards have significantly better characteristics as compared to waste-paper based duplex boards like higher strength, better printing properties, etc. Further, due to these better characteristics, such pulp based boards are hugely in demand mainly due to fast growing e-commerce industry where such material is used for packaging and delivery purposes.

Marketing and Distribution

We have dealer based marketing system. The dealers operate on commission basis whereby they place order on behalf of the end customer and follow-up for payment on our behalf.

Manpower

We have a total of 286 full time employees as of February 10, 2015. A division-wise breakup of the same is provided below:

Sr. No.	Department	No. of employees
1	Marketing	11
2	Corporate	21
3	Production	254 ⁽¹⁾
	Total	286

(1) Includes workers at Ambivali and Bhiwandi

In addition, we engage contractors to carry out some of the activities in the manufacturing premises for material handling, etc. We shall deploy the manpower required for the expansion activities from our current resources. We offer our employees comprehensive on-going training in order to raise their competence and capability. We believe that the training and appraisal system will result in a more productive and service-oriented workforce.

Properties

The properties owned include factories, office premises, depots and living quarters. All our properties are owned by the Company except land in Bhiwandi and office premises which are leased.

Certifications

Our manufacturing units have been certified by Forest Stewardship Council to produce duplex boards which are Food Grade and hence safe to use for packaging of food materials. Further, we have also received certification from Forest Stewardship Council for preservation of forests.

Industry Overview

Unless noted otherwise, information in this section is derived from “Study of India’s Paper Industry – Potential and Growth in 21st Century” by Mr. Jay Ganesh Tripathi. Company has not independently verified this information.

Introduction of paper industry in India:-

The paper industry in India could be classified into three categories according to the raw material consumed.

1. Wood based
2. Waste paper based
3. Agro based

The Indian paper industry produces 10.11 million tons paper per annum, just 1.6% of the total world production of 394 million tons, paperboard and newsprint. At present, India lags far behind compared to international standards. The Scandinavian countries, USA, Russia, China, Indonesia and Japan are the major players in the field of pulp and paper. These countries have some of the best available raw material for paper production and state-of-the-art technology.

Some of the major players in the paper industry of India are BILT, ITC Paperboards & Specialty Papers Division, APPM, SPB, TNPL, Rainbow Papers, JK Papers Ltd., Century Pulp and Paper, The West Coast Paper Mills Ltd., Hindustan Paper and Abhishek Industries Ltd. In accordance with the economic growth it is estimated to touch 13.95 million tons by 2015-16. It is estimated that there would be an increase in demand of 1 million tons. As per industry estimates, paper production grew at a CAGR of 8.4% while paper consumption grew at a CAGR of 9% in 2012-13

SWOT analysis – Indian paper industry

Competitive strengths

- Large and growing domestic paper market
- Up to date research institute (CPPRI)
- Know how in non wood pulping and applications
- Well developed printing industry
- Local market knowledge

Competitive weaknesses

- Fibre shortage, especially virgin wood fibre
- Small and fragmented industry structure, many non competitive mills/machines
- Highly skilled and job specific manpower is not available
- Quality and availability of some of the domestic pigments and chemicals
- Environmental problems of most of the small pulp mills and also some big mills
- Low standard of converting industry
- Infrastructure, transportation
- High cost of raw material including wood, non wood and waste paper
- High energy costs
- High cost of financing
- Impact of high local taxes (sales tax, entry tax, etc.)
- Low input into mill level R&D

Competitive opportunities

- Domestic market potential
- Modern, world scale paper machine would be cost competitive in most grades
- Forest plantation potential
- Integrates of combined wood and agro based papermaking
- Government literacy program – increasing demand for printing/writing papers
- Low labor costs (allow eg. cost effective sorting of imported mixed waste)
- Export potential

Competitive threats

- Unprepared mills for international competition (WTO entry) both on price and quality
- Decline in capacity due to environmental pressures
- Decline in capacity as some of the segments/group of mills are unable to compete at national and international levels with respect to quality and cost of products.
- Delayed forest plantations, deficit of wood fibres
- Weakening competitiveness of domestic industry due to shortage and cost of basic inputs

Managing Risks at Papers Industries

Risks are integral to business. At papers industries, risk management encompasses an organized and coherent process of identifying, assessing and managing the existing and potential risks in a planned manner. The management strives hard to balance business risks and opportunities and analyse potentially negative or positive outcomes.

- **Business Environment Risks**

Competition as well as supply-demand imbalances in the paper, packaging and wood product industries – which are mature, capital-intensive and highly competitive – impact profitability. Economic cycles and changes in consumer preferences may reduce product demand and affect profitability. The ability to respond to evolving customer tastes and develop new products on a competitive basis entails continuous market and end-use monitoring. Increased input costs comprising energy, fibre, other raw materials, transportation and labour might dent profits. Securing access to low-cost supplies and proactive management of costs and productivity are of fundamental importance.

- **Business Development Risks**

Business development risks are mainly related to the Company's strategy and also include risks related to the supply and availability of natural resources, raw materials and energy.

- **Raw Material Risks**

Non-availability of fibre may disrupt the supply chain, forcing the Company to pay higher prices or alter manufacturing operations. The primary raw materials consumed by the Companies are bagasse (a by-product of sugarcane), wheat straw and other long-fibres like softwood, old gunny and kraft carrier board etc.

- **Human Resource Risk**

A talented and hardworking human pool is the key to the success at Papers industries. The Company evaluates the competence of its personnel through surveys and other assessments. Structured programmes are conducted to train employees and an annual succession planning Process hedges against attrition.

- **Climate Change Risks**

To mitigate the effects of climate change, Paper industries seeks opportunities to reduce its carbon footprint. The Company implements clean, affordable and safe energy practices required for the production, transportation and reduction of energy consumption. Additional measures include energy-efficiency initiatives, use of carbon-neutral biomass, utilisation of combined heat and power and sequestration of carbon dioxide in forests and forest products.

- **Market Risks**

Risks related to demand, price, competition, customers, suppliers and raw materials are regularly monitored and evaluated to get a perspective of the Company's profit-making potential. Cyclical product prices are affected by changes in capacity and production in the industry. Customer demand for products, which also determine prices, is influenced by

economic conditions and inventory levels.

- **Financial Risks**

Financial risk management insulates against fiscal volatility. The objectives and principles are defined in the Company's financial risk policy, which is regularly reviewed and approved by the Board of Directors. Besides, compliance is monitored by internal controls and audits.

- **Information Technology Risk**

In a business environment information is necessary to support business processes the development of new IT infrastructure and monitor IT processes continually. These activities reduce risks related to internal control and financial reporting, besides promoting informed decision making.

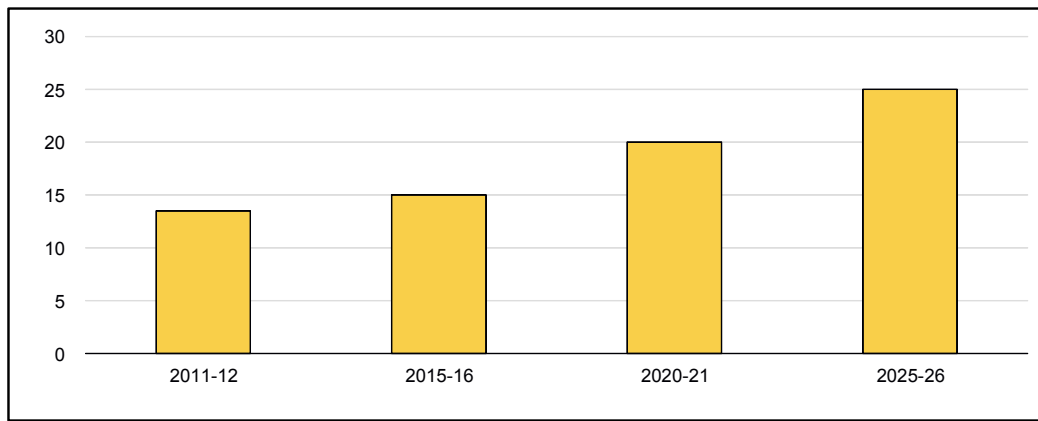
Scope of paper industry in India

The Indian Paper Industry accounts for about 1.6% of the world's production of paper and Paperboard. Paper in India is expected to see an average growth of 7 per cent during the next year according to prediction by the Indian Pulp and Paper Technical Association.

The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc.; approximately 35% are based on chemical pulp, 44% on recycled fibre and 21% on agro-residues.

The per capita consumption of India stands at only 9.3 kg compared to China's 42 kg, Indonesia's 22 kg, Malaysia's 25 kg and the US' 312 kg. Studies have shown that the growth of paper consumption changes from linear to exponential trends once the GDP growth rate crosses the double digit mark. Analysts often draw comparisons between the growth seen in bottled drinking water and tissue paper industries. Even if one assumes an average 9% GDP growth rate in the medium term, linear extrapolation suggests that by 2025, the country will consume over 24 million tons of paper.

The industry employs 0.37 million people directly and 1.37 million indirectly. The major players of the industry are located in Andhra Pradesh, Tamil Nadu, Maharashtra, Punjab, Madhya Pradesh and Gujarat. In terms of numbers, Gujarat tops the tally with 130 units, followed by U.P (115), Maharashtra (112) and Tamil Nadu (88). Paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tons by 2015-16.



Projected Consumption of Paper (Million Tons)

Conclusion-

The new Millennium will be dominated by the tremendous progress that has been made in computer science, thus triggering a complete change in our commercial and private communication and information behaviour. There will be a huge amount of data being generated electronically, but the issue is how to preserve it. Paper offers the most convenient and durable storage option. Reading a book will remain a great pleasure into the future and paper, as a ubiquitous material with its many uses, will continue to play an influential role. The paper industry in India is growing in a rapid speed with demand increment and opportunity creation and attraction to the international players.

The India Ratings report in 2014-15, said paper companies would achieve higher profitability and free cash flows due to lower capital expenditure, and this would help in deleveraging. This is because the debt levels of these companies have peaked and cost benefits will accrue from backward integration (due to capital expenditure) and a larger scale of operations.

The key challenges to be met is market conditions which are poor and technology obsolete, lacking ability in achieving economy scale and lack of skilled labor.

Financial Statements

Sr. No.	Particulars	Appendix
1	Standalone Audit Report along with Financial statements of NPML for year ending March 31, 2015	Appendix A
2	Consolidated Audit Report along with Financial statements of NPML for year ending March 31, 2015	Appendix B

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

NIRVIKARA PAPER MILLS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Nirvikara Paper Mills Limited ("the Company") which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The company has adequate internal financial control and in our opinion the same is operating effectively.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.29 (i)(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. According to the records of the Company and the information and explanations given to us, there were no amounts required to be transferred to Investor education and protection fund.

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

Mumbai
VIRAL A. M ERCHANT
DATED : 8TH JUNE, 2015
Partner
Membership No.116279

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of these fixed assets has been conducted by the management at intervals during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii)(a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2015 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues in respect of Sales Tax, Income Tax, Cess, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Including Interest and Penalty)	34,80,883 2,28,22,324	1991-1992 2002-2003	Jt. Commissioner of Sales Tax (Appeals) Assessing Authority
Income Tax Act	Income Tax	20,56,130	2009-2010	Dy. Commissioner of Income Tax
Water Cess	Cess	1,88,56,716	1992-2015	Court of Civil Judge, Senior Division, Thane
Central Excise Act	Excise Duty and Service Tax (Including Interest and Penalty)	8,14,609 11,38,063	2000-2004 2004-2012	Tribunal Assessing Authority

- (c) According to the records of the Company and the information and explanations given to us, there were no amounts required to be transferred to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company was incorporated on 29th June, 2013, hence clause 3(viii) of the Order regarding the accumulated losses is not applicable to the Company.
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

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

Mumbai
VIRAL A. M ERCHANT
DATED : 8TH JUNE, 2015
Partner
Membership No.116279

Nirvikara Paper Mills Limited

Balance Sheet as at 31st March, 2015

PARTICULARS		Note No.	Current Year Rupees	Previous Year Rupees
I	<u>EQUITY AND LIABILITIES</u>			
1	SHAREHOLDERS' FUND			
(a)	Share Capital	2	107,398,440	500,000
(b)	Reserves and Surplus	3	478,191,553	(31,538)
			585,589,993	468,462
2	NON-CURRENT LIABILITIES			
(a)	Long-Term borrowings	4	399,385,754	-
(b)	Deferred Tax Liabilities (Net)	5	97,796,372	-
(c)	Other Long term Liabilities	6	352,350	-
(d)	Long-term provisions	7	(68,679)	-
			497,465,797	-
3	CURRENT LIABILITIES			
(a)	Short Term borrowings	8	325,982,036	-
(b)	Trade Payables	9	239,434,200	6,742
(c)	Other current liabilities	10	211,495,983	-
(d)	Short-term provisions	11	6,250,891	-
			783,163,110	6,742
	TOTAL		1,866,218,900	475,204
II.	<u>ASSETS</u>			
1	NON-CURRENT ASSETS			
(a)	Fixed Assets			
(i)	Tangible assets	12	792,555,363	-
(ii)	Intangible assets	13	694,788	-
(iii)	Capital work-in-progress		651,022,556	-
			1,444,272,707	-
(b)	Non Current Investments	14	10,000,000	
(c)	Long-term loans and advances	15	29,257,636	-

Nirvikara Paper Mills Limited

Balance Sheet as at 31st March, 2015

PARTICULARS	Note No.	Current Year Rupees	Previous Year Rupees
		39,257,636	-
2 CURRENT ASSETS			
(a) Inventories	16	165,880,556	-
(b) Trade receivables	17	147,807,467	-
(c) Cash and cash equivalents	18	3,649,018	475,204
(d) Short-term loans and advances	19	62,888,210	-
(e) Other current assets	20	2,463,306	-
		382,688,557	475,204
TOTAL		1,866,218,900	475,204

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 46

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

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

**VIRAL A.
MERCHANT**

Partner

Mumbai,

Dated: 8th June, 2015

For and on behalf of the Board of
Directors

ANURAG P. PODDAR- Chairman & Managing Director

SHRUTISHEEL JHANWAR- Whole-time Director & CFO

RAJESH SOLANKI- Company Secretary

Mumbai,

Dated: 8th June,
2015

Nirvikara Paper Mills Limited

Statement of Profit and Loss for the year ended 31st March, 2015

	PARTICULARS	Note No.	Current Year Rupees	Previous Year Rupees
I	Revenue from operations	21	197,296,847	-
II	Other Income	22	533,042	-
III	Total Revenue (I+II)		197,829,889	-
IV	Expenses :			
	Cost of materials consumed	23	126,105,375	-
	Changes in inventories of finished goods and work-in-progress	24	4,623,241	-
	Employee benefits expense	25	10,450,001	-
	Finance Cost	26	5,961,002	-
	Depreciation and other Amortisation expense	27	5,361,854	-
	Other Expenses	28	75,749,750	31,538
	Total Expenses		228,251,223	31,538
V	(Loss) before tax ((III-IV)		(30,421,334)	(31,538)
VI	Tax expense:			
	- Current tax		-	-
	- Deferred tax		580,979	-
VII	(Loss) after Tax (V-VI)		(31,002,313)	(31,538)
VIII	Earnings per equity share: Basic and Diluted	35	(2.89)	(0.63)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 46

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

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants
VIRAL A.
MERCHANT
Partner

Mumbai,
Dated: 8th June, 2015

For and on behalf of the Board of
Directors

ANURAG P. PODDAR- Chairman & Managing Director
SHRUTISHEEL JHANWAR- Whole-time Director & CFO

RAJESH SOLANKI- Company Secretary
Mumbai,
Dated: 8th June,
2015

Nirvikara paper mills limited

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Fixed Assets

- A) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges, if any) and is net of permissible credits/set offs.
- B) Expenditure (including financing charges, if any), incurred for fixed assets, the construction/ installation /acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

Effective from 1st April 2014, Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Machineries where the useful life is considered differently based on an independent technical evaluation as 9 to 30 years.

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

Investments

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

Valuation of Inventories

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

Sales

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

Nirvikara paper mills limited

Export Benefits

Export Incentive under Duty Drawback Scheme under EXIM Policy is accounted for in the year of Export.

Foreign Exchange Transactions

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

Employee Benefits:

A) Short-term employee benefits:

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

B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, employee state insurance scheme etc. provided by the company to its employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to its employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the Employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

Borrowing Cost

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

Taxation

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

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

Nirvikara paper mills limited

Leases

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

Impairment

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

Provisions, Contingent Liabilities and Contingent Assets

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

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.2		
SHARE CAPITAL		
Authorised :		
1,10,00,000 (Previous Year 50,000) Equity Shares of Rs.10 each	110,000,000	500,000
Issued Subscribed and fully paid up:		
1,07,39,844 (Previous Year 50,000) Equity Shares of Rs.10 each, fully paid up	107,398,440	500,000
	107,398,440	500,000
All the above shares are allotted as fully paid up pursuant to scheme of Arrangement, without payment being received in cash (Refer Note No. 45)		
Terms/rights attached to equity shares:		
All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital		
Shareholder's holding more than 5% Shares in the Company		
Name of Shareholders	No of Shares held	No of Shares held
Balkrishna Industries Limited		50,000
% holding	-	100%
AKP EnterprisesLLP	2,666,493	-
% holding	24.83%	-
RAP Enterprises LLP	2,663,110	-
% holding	24.80%	-
NOTE NO.3		
RESERVES AND SURPLUS		
a. Capital Reserves		
Opening Balance	-	-
Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 45)	509,225,404	-
Less: Deduction during the year	-	-
Closing Balance	509,225,404	-
b. Surplus		
Opening Balance	(31,538)	-
(Add) : Net (Loss) for the current year	(31,002,313)	(31,538)
Closing Balance	(31,033,851)	(31,538)
	478,191,553	(31,538)

NOTE NO.4**LONG TERM BORROWINGS****Secured****Term loans from Bank**

- External Commercial Borrowings	254,350,234	-
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Secured by :

Exclusive mortgage charge over the immoveable Fixed Assets and hypothecation charge by way of pari-passu over the movable Fixed Assets of the Company

(3 million USD- Repayment in 15 Quarterly Equal Installments starting from September, 2013)

(7 million USD- Repayment in 15 Quarterly Equal Installments starting from Financial Year 2014-15)

(Interest rate 3 months LIBOR + 350 bppa)

-Working Capital Term Loan	120,000,000	-
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To be secured by immovable and movable fixed Assets, Repayment Schedule from year 3- 5%, year 4- 20%, year 5 to year 7- 25%, rate of interest 12% or such other rate as may be specified by the bank from time to time.

Personal Guarantee is given by the Directors

Unsecured

Distributors/Dealers Deposit	25,035,520	-
	399,385,754	-
	399,385,754	-

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.5		
<u>DEFERRED TAX LIABILITIES (NET)</u>		
Deferred Tax Liability on account of : Depreciation	98,938,593	-
Deferred Tax Assets on account of :		
Expenses allowable for tax purpose when paid	1,142,221	-
Net Deferred Tax Liability	97,796,372	-
NOTE NO.6		
<u>OTHER LONG TERM LIABILITIES</u>		
- Security Deposits	352,350	-
	352,350	-
NOTE NO.7		
<u>LONG TERM PROVISIONS</u>		
- Provision for employee benefits - Gratuity	(68,679)	-
	(68,679)	-
NOTE NO.8		
<u>SHORT TERM BORROWINGS</u>		
Secured Loan From Banks		
- Loans repayable on demand (Cash Credit)	108,734,112	-
- Other Loans- PCFC/Buyers Credit	117,447,924	-
Secured by first pari-passu charge by way of hypothecation of inventory, receivable and movable fixed assets of the Company.		
Unsecured		
Loans repayable on demand		
- from Related Party	99,800,000	-
	325,982,036	-
NOTE NO.9		
<u>TRADE PAYABLE</u>		
Sundry Creditors (including Acceptances)	239,434,200	6,742
(Refer Note No. 38 for details of Dues to Micro and Small Enterprises)		

Nirvikara Paper Mills Limited

NOTE NO.10

OTHER CURRENT LIABILITIES

- Current Maturity of Long Term Debt	166,992,254	-
- Interest accrued but not due on borrowings	6,994,075	-
- Income received in advance	-	-
Other payables		
- Others - Payable towards Capital Goods	12,149,129	-
- Statutory dues towards TDS/VAT/CST/Service Tax etc.	16,124,602	-
- Security Deposits	1,606,225	-
- Others	7,629,698	-
	<hr/>	<hr/>
	211,495,983	-
	<hr/>	<hr/>

NOTE NO.11

SHORT TERM PROVISIONS

Provision for employee benefits

- Leave encashment	6,250,891	-
	<hr/>	<hr/>
	6,250,891	-
	<hr/>	<hr/>

NOTE NO.12

Tangible assets	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				Net Block	
Fixed Assets	Balance As at 01.04.2014	Add/Adjust during the year	Deductions During the year	Balance As at 31.03.2015	Adjustment during the year	For the Year	Deduction s During the year	Total upto 31.03.2015	As At 31.03.2015	As At 31.03.2014
Tangible assets										
(a) Land										
i) Freehold	-	3,543,134		3,543,134	-	-	-	-	3,543,134	-
ii) Leasehold		42,000		42,000	13,984	58		14,042	27,958	-
(b) Buildings	-	180,363,019		180,363,019	13,149,640	1,138,701	-	14,288,341	166,074,678	-
(c) Plant and Equipment	-	680,611,073		680,611,073	77,711,316	3,291,200	-	81,002,516	599,608,557	-
(d) Factory Equipment	-	9,786,625		9,786,625	4,664,076	208,455	-	4,872,531	4,914,094	-
(e) Furniture and Fixtures	-	3,293,943	-	3,293,943	971,528	42,263		1,013,791	2,280,152	-
(f) Vehicles	-	10,878,634	610,014	10,268,620	4,159,140	254,759	276,425	4,137,474	6,131,146	-
(g) Office Equipment	-	3,338,073		3,338,073	1,550,604	103,169	-	1,653,773	1,684,300	-
(h) Others				-		-		-		
-Electric Installations	-	8,047,340	-	8,047,340	2,210,451	151,545	-	2,361,996	5,685,344	
-Air Conditioners	-	941,693		941,693	650,619	16,519	-	667,138	274,555	-
-Computer	-	6,408,003		6,408,003	3,947,158	129,400	-	4,076,558	2,331,445	-
TOTAL TANGIBLE - CURRENT YEAR	-	907,253,537	610,014	906,643,523	109,028,516	5,336,069	276,425	114,088,160	792,555,363	-
TOTAL TANGIBLE - PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-

NOTE NO.13

Intangible assets										
(a) Computer software	-	4,920,297	-	4,920,297	4,199,724	25,785	-	4,225,509	694,788	-
TOTAL INTANGIBLE - CURRENT YEAR	-	4,920,297	-	4,920,297	4,199,724	25,785	-	4,225,509	694,788	
TOTAL INTANGIBLE - PREVIOUS YEAR	-	-		-	-	-		-	-	-
CAPITAL WORK IN PROGRESS									651,022,556	-

Depreciation on Fixed Asset is provided as per the provisions of Schedule II of the Companies Act,2013 except for certain Plant and Machineries. Further based on the technical evaluation, the Company has determined useful life of certain Plant and Machineries which is different from the life as prescribed in para C of the said schedule, as a result the depreciation for the year ended is lower by Rs. 11733614. (Refer Note No. 45)

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.14		
NON CURRENT INVESTMENTS- (At Cost)		
Investments in Equity Instruments		
(Unquoted (In 100% Subsidiaries Companies)		
10,00,000 shares of Rs. 10 each fully paid up of		
Balkrishna Synthetics Ltd (Ref Note No. 45)		
	10,000,000	-
	10,000,000	-
NOTE NO.15		
LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Capital Advances	15,995,578	-
(b) Security Deposits	1,430,180	-
(c) Others loans and advances		
- Advance Payments of Taxes and Tax deducted at		
source (Net of Provisions)	11,831,878	-
	29,257,636	-
NOTE NO.16		
INVENTORIES		
(As Certified by the Management)		
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	57,910,891	-
(b) Work-in-Progress	14,360	-
(c) Finished Goods	56,880,127	-
(d) Stores and Spares	46,651,618	-
(e) Others -Packing Materials and Fuel	4,423,560	-
	165,880,556	-
NOTE NO.17		
TRADE RECEIVABLES		
Trade Receivables outstanding for a period less than Six		
Months		
(a) Secured Considered good	-	-
(b) Unsecured Considered good	147,807,467	-

147,807,467

-

Nirvikara Paper Mills, limited

NOTE NO.18

CASH AND CASH EQUIVALENTS

- Balances with banks	3,454,401	474,800
- Cash on hand	194,617	404
	3,649,018	475,204

NOTE NO.19

SHORT TERM LOANS AND ADVANCES

Unsecured, considered good

- Advance payment to suppliers	8,843,582	-
- Excise/Sales Tax/Service Tax/Custom Duty etc. receivables	52,729,539	-
- Loans and advances to employees	1,315,089	-
	62,888,210	-

NOTE NO.20

OTHER CURRENT ASSETS

- Export Incentive Receivables	1,316,213	-
- Interest Accrued on others	1,147,093	-
	2,463,306	-

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.21		
REVENUE FROM OPERATIONS		
- Sale of Products	209,638,109	-
Other Operating Revenue:		
- Export Incentives	350,625	-
- Scrap Sales	260,016	-
- Others	159,646	-
	770,287	-
	210,408,396	-
Less: Excise Duty	13,111,549	-
	197,296,847	-
NOTE NO.22		
OTHER INCOME		
Interest Income from:		
- Deposits, Customers and Income tax	533,042	-
	533,042	-
NOTE NO.23		
COST OF MATERIAL CONSUMED		
- Raw Material Consumed	126,105,375	-
NOTE NO.24		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock :		
Work-in-Progress	705,523	-
Finished Goods	60,812,205	-
	61,517,728	-
Less: Closing Stock-		
Work-in-Progress	14,360	-
Finished Goods	56,880,127	-
	56,894,487	-

		-
Net Decrease in Inventories	4,623,241	-
<u>NOTE NO.25</u>		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
- Salaries and wages	7,943,941	-
- Contribution to provident and other funds	2,239,122	-
- Staff welfare expenses	266,938	-
	10,450,001	-
<u>NOTE NO.26</u>		
<u>FINANCE COST</u>		
(a) Interest expenses	6,048,957	-
(b) Applicable net (gain) on foreign currency transactions and translation	(87,955)	-
	5,961,002	-
<u>NOTE NO.27</u>		
<u>DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation and amortisation	5,361,854	-

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.28		
<u>OTHER EXPENSES</u>		
- Consumption of stores and spare parts	8,099,627	-
- Packing expenses	5,392,151	-
- Power and fuel	33,303,109	-
- Freight and forwarding (Net)	3,628,583	-
- Labour/Job Charges	7,198,483	-
- Water charges	277,306	-
- Repairs and Maintenance to buildings	107,431	-
- Repairs and Maintenance to Machinery	828,211	-
- Repairs and Maintenance to Others	198,671	-
- Insurance Charges	1,394,762	-
- Rates and Taxes excluding taxes on income	3,805,706	-
- Rent	560,601	-
- Legal and Professional charges	2,532,792	31,139
- Commission	1,155,945	-
- Discount	2,374,157	-
- Travelling Expenses	331,881	-
- Directors Meeting Fees	20,000	-
- Net Foreign Exchange Loss	140,301	-
- Interest Others	186,651	-
- Loss on Sale of Fixed Assets	191,366	-
- Miscellaneous expenses	4,022,016	399
	75,749,750	31,538

	Current Year Rupees	Previous Year Rupees
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NOTE NO.29

Contingent Liabilities and commitments

(i) Contingent Liabilities

a) Claims against the Company not acknowledge as debts

- Disputed claims for excise, cess, sales tax and service tax	47,112,595	-
- Disputed income tax demands	2,056,130	-
- Others	58,748,723	-

b) Guarantees

-Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	17,597,656	-
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(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for

20,066,723

-

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.30		
Value of Imports on CIF Basis		
a) Raw materials	20,968,056	-
b) Stores and Spare parts	1,349,386	-
	22,317,442	-
NOTE NO.31		
Consumption of Raw Materials		
(As Certified by the Management)		
a) Waste Paper	102,316,296	-
b) Colours and Chemicals	23,789,078	-
	126,105,374	-
NOTE NO.32		
Expenditure in Foreign currency		
Interest *	6,543,914	-
Other matters (Commission and Bank Charges)	868,255	-
	7,412,169	-
* Including amount capitalised Rs. 49,62,435 (Previous year Rs.Nil)		
NOTE NO.33		
Value of Raw Materials and Stores and Spare Parts consumed		
(As Certified by the Management)		
	Raw Materials	Stores and Spare Parts
	Rupees %	Rupees %
a) Imported	5,04,69,420 40.02	3,75,160 4.63
	(-) (-)	(-) (-)
b) Indigenous	7,56,35,954 59.98	77,24,467 95.37
	(-) (-)	(-) (-)
	12,61,05,374 100.00	8,099,627 100.00
	(-) (-)	(-) (-)
NOTE NO.34		
Earning in Foreign exchange		
a) Export of goods on FOB Basis	20,420,047	-
b) Recovery towards Freight and Insurance on Export	405,106	-
	20,825,153	-

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
NOTE NO.35		
Earning Per Share (EPS)		
(In accordance with Accounting Standard - 20)		
(Loss) after Tax	(31,002,313)	(31,538)
Number of Equity Shares outstanding for Basic/ Diluted Earning Per Share	10,739,844	50,000
Nominal Value of Equity Shares (in Rupees)	10	10
Earning Per Share Basic/Diluted	(2.89)	(0.63)

NOTE NO.36

I) Related Party Disclosures *

(Where transactions have taken place)

a) Key Management Personnel (KMP)

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

b) Other Related Parties -(Enterprises having significant influence) Siyaram Silk Mills Ltd., S P Finance & Trading Ltd., Sanchana Trading Ltd., Balkrishna Industries Ltd.

Transactions	KMP	Other Related Parties	Total
1 Purchase of Goods/Materials	NIL	8,894	8,894
	(NIL)	(NIL)	(NIL)
2 Reimbursement of Expenses	NIL	90643	90,643
	(NIL)	(NIL)	(NIL)
3 Rent Paid	NIL	379,083	379,083
	(NIL)	(NIL)	(NIL)
4 Remuneration	17,89,038	NIL	17,89,038
	(NIL)	(NIL)	(NIL)
5 Inter Corporate Loan Received	NIL	1,000,000	10,00,000
	(NIL)	(NIL)	(NIL)
6 Inter Corporate Loan Repayment	NIL	1,000,000	10,00,000
	(NIL)	(NIL)	(NIL)
7 Interest paid on Loan Received	NIL	1,777,617	17,77,617
	(NIL)	(NIL)	(NIL)

8	Payables	NIL	99,800,000	9,98,00,000
		(NIL)	(NIL)	(NIL)
9	Interest accrued but not due on borrowings	NIL	1,915,979	1,915,979
		(NIL)	(NIL)	(NIL)
10	Personal Guarantee against Working Capital Term Loan	250,000,000	NIL	250,000,000
		(NIL)	(NIL)	(NIL)

Figures in brackets pertain to previous year.

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

- 1 Purchase of Goods/ Materials includes : Siyaram Silk Mills Limited Rs. 8,894 (Previous Year Rs.Nil)
- 2 Reimbursement of Expenses includes: Balkrishna Industries Ltd. Rs. 90,643 (Previous Year Rs. Nil)
- 3 Rent Paid Includes : Siyaram Silk Mills Ltd. Rs. 3,67,501 (Previous Year Rs. Nil), Balkrishna Industries Ltd Rs. 11,582 (Previous Year Rs. Nil)
- 4 Remuneration to Key Management Personnel includes : Mr. Anurag P Poddar **Rs. 5,86,612** (Previous Year Rs.Nil), Mr. Ankit P Poddar **Rs.5,95,366** (Previous Year Rs. Nil), Mr. Shrutisheel Jhanwar **Rs. 6,07,060** (Previous Year Rs.Nil)
- 5 Inter Corporate Loan Received includes : S. P. Finance & Trading Ltd. Rs.10,00,000 (Previous Year Rs. Nil)
- 6 Inter Corporate Loan Repayment includes :Sanchana Trading & Finance Limited Rs.10,00,000 (Previous Year Rs.Nil)
- 7 Interest Paid on Loan Received includes : S. P. Finance & Trading Ltd. **Rs.17,71,918** (Previous Year Rs. Nil), Sanchana Trading & Finance Limited **Rs. 5,699** (Previous Year Rs. Nil)
- 8 Payables to Other Related Parties includes : S. P. Finance & Trading Ltd. **Rs.99,800,000** (Previous Year Rs.Nil)
- 9 Interest accrued but not due on borrowings includes: S. P. Finance & Trading Ltd. Rs.19,07,966 (Previous Year Rs. Nil), Sanchana Trading & Finance Limited Rs. 8,013 (Previous Year Rs. Nil)
- 10 Personal Guarantee against working capital Term loan given by KMP: Mr Anurag P. Poddar and Mr Ankit P. Poddar Rs. 25,00,00,000

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

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

	Current Year Rupees	Previous Year Rupees
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NOTE NO.37

Leases - Operating leases

- i) The company has taken commercial premises under cancellable operating leases.
- ii) The rental expenses recognised in Statement of Profit and Loss for operating leases:

(a) Minimum Rent	327,075	NIL
(b) Contingent Rent	NIL	NIL

- iii) The Company does not have any assets given on lease.

NOTE NO.38

- a As at 31st March,2015, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small,
) Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- b The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such
) parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Nirvikara Paper Mills Limited

NOTE NO.39

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

Defined benefit plans - As per actuarial valuation in respect of Gratuity		Current Year	Previous Year
Sr. no.	Descriptions	Rupees	Rupees
i	Components of employer expenses		
	Current Service Cost	151,915	-
	Interest Cost	15,472	-
	Expected Return on Plan Assets	NIL	-
	Actuarial (Gain)/Loss	(55,432)	-
	Total Expenses recognised in the statement of Profit & Loss Account in Note No.25	111,955	-
ii	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	2,660,236	-
	Actual Contributions	1,523,567	-
iii	Net Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	15,491,435	-
	Fair value of plan assets	(15,560,114)	-
	Net Liability/(Asset) recognised in balance sheet	68,679	-
iv	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	17,958,251	-
	Current Service cost	151,915	-
	Interest cost	206,894	-
	Past Service Cost (Vested Benefit)	NIL	-
	Actuarial (Gain)/Loss on DBO	(165,389)	-
	Benefits paid	(2,660,236)	-
	Present Value of DBO at the end of the year	15,491,435	-
v	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
	Plan assets at the beginning of the year	16,615,318	-
	Expected return on plan assets	191,422	-
	Actual Company contributions	1,523,567	-
	Actuarial (Loss)/ Gain on Plan Assets	(109,957)	-
	Benefits paid	(2,660,236)	-
	Plan assets at the end of the year	15,560,114	-
vi	Actuarial Assumptions		
	Discount Rate	7.99%	-
	Expected Return on plan Assets	7.90%	-
	Salary escalation	4.50%	-
a) Defined Contribution Plans-			
The Company's contribution to defined contribution plans aggregating to Rs. 7,15,555 (Previous Year Rs.Nil) has been recognised in the statement of Profit and Loss under the heading 'Contribution			

	to Provident and Other Funds' (Note No.25)
	b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

Nirvikara Paper Mills Limited

	Current Year Rupees	Previous Year Rupees
<u>NOTE NO.40</u>		
Payment to Auditors		
a) Statutory Auditors		
- Audit Fees	100,000	6,000
- For taxation matters	80,000	-
- For Other Services- Certification Charges, etc.	55,000	-
- For reimbursement of		
Service Tax	29,046	742
b) Cost Auditors		
- Audit Fees	10,274	-
- For reimbursement of Service Tax	1,270	-
<u>NOTE NO.41</u>		
-Amount of Borrowing Cost capitalised	6,734,353	-
<u>NOTE NO.42</u>		
Sale of Products:		
Paper / Paper Boards	209,638,109	Nil

NOTE NO.43

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

Nirvikara Paper Mills Limited

NOTE NO.44

PARTICULARS		Current Year Rupees	Previous Year Rupees
Derivative Instruments			
i)	The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose.		
ii)	Derivative Instruments outstanding Forward Exchange Contracts :		
	Particulars		
	Total No. of contracts outstanding for amount receivable on account of Export of Goods.	19	NIL
	Foreign Currency Value covered :		
	US Dollars	950,000	NIL
iii)	Interest rate (LIBOR) Swap Contracts :		
	The Company also uses derivative contracts other than forward contracts to hedge the interest rate on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.		
	Total No. of contracts outstanding	2	NIL
	Principal Notional Amount (US Dollar)	6,731,700	NIL
b)	Unhedged foreign currency exposure is as follows:		
	Particulars		
	Amounts Payable :		
	Loans		
	US Dollars	7,020,596	NIL
	Interest US Dollars	21,899	NIL

NOTE NO.45

- a) A scheme of arrangement ("Scheme") under section 391 to 394 of the Company's Act 1956 between Balkrishna Industries Limited (BIL), Balkrishna Paper Mills Limited (BPML), Nirvikara Paper Mills Limited (Company), their respective shareholders and creditors was approved by Hon'ble High Court of Judicature at Bombay vide Order dated 19th December 2014

- b) BPML, which was engaged in the business of manufacturing of paper board, has been amalgamated with BIL with effect from the Appointed Date, i.e., 1st April 2013 whereby, the assets, liabilities and reserves of BPML has been vested with BIL and have been recorded at their respective book value, under the pooling of interest method of accounting for amalgamation.
- c) The Paper Division Undertaking of the Company have been demerged to the Company with effect from the Effective Date, i.e., 10th February 2015, whereby the Company's Share Capital of Rs. 5 lacs stands cancelled and an aggregate of 1,07,39,844 equity shares of Rs. 10 each of the Company were issued to the equity shareholders of BIL in the ratio of 1 equity share of the Company for every 9 equity shares held in BIL.
- d) The effect of the Scheme has been considered in these financial statements for the year ended 31st March, 2015 and therefore to that extent, the figures of the current year are not comparable with those of the previous year.
- e) The authorised share capital of the Company has been increased to Rs. 11,00,00,000 consisting of 1,10,00,000 Equity Shares of Rs. 10 each.

NOTE NO.46

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

As per our report of even date attached

For and on behalf of the Board of Directors

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ANURAG P. PODDAR- Chairman & Managing Director

VIRAL A. MERCHANT

Partner

SHRUTISHEEL JHANWAR- Whole-time Director & CFO

Mumbai,

Dated: 8th June, 2015

RAJESH SOLANKI- Company Secretary

Mumbai,

Dated: 8th June, 2015

Nirvikara Paper Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Year Ended 31st March, 2015 Rupees	Year Ended 31ST March, 2014 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) before tax	(30,421,334)	(31,538)
Adjustment for :		
Depreciation and Amortisation	5,361,854	-
Finance Cost	5,961,002	-
Interest Income	(533,042)	-
Loss on Sale of Fixed Assets (Net)	191,366	-
Unrealised Foreign Exchange differences (Gain)/Loss	8,040	-
Retiring Gratuities	111,955	-
Leave Encashment	277,573	-
	11,378,748	-
Operating Loss before working capital changes	(19,042,586)	(31,538)
Adjustment for:		
Trade and other receivables	(7,927,332)	-
Inventories	3,241,846	-
Trade payables	2,530,073	6,742
	4,979,194	6,742
Cash generated from operations	3,074,931	(24,796)
Direct taxes refund received/(paid)	42,769	-
Gratuity paid	(1,523,567)	-
Leave Encashment paid	(81,481)	-
Net cash from Operating Activities	2,845,370	(24,796)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Fresh issue of shares	-	500,000
Purchase of Fixed Assets & Capital Work in Progress	(24,556,593)	-
Sale of Fixed Assets	142,223	-
Interest received	697,043	-
Net cash used in Investing Activities	(23,717,327)	500,000
C. CASH FLOW FROM FINANCING		

Nirvikara Paper Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Year Ended 31st March, 2015 Rupees	Year Ended 31ST March, 2014 Rupees
ACTIVITIES :		
Proceeds/(Repayment) of Short Term Borrowings (Net)	39,550,929	-
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(39,794,100)	-
Finance Cost Paid	(2,715,377)	-
Net Cash from Financing Activities	(2,958,548)	-
Net Increase in cash and cash equivalent	1,777,826	475,204
Cash and cash equivalent as at the beginning of the year	475,204	-
Cash and cash equivalent transferred upon acquisition of Subsidiary	1,395,988	-
Cash and cash equivalent as at the end of the year	3,649,018	475,204

Note :

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

As per our report of even date attached

For and on behalf of the Board
of Directors

For JAYANTILAL THAKKAR & CO.

ANURAG P. PODDAR- Chairman & Managing
Director

Chartered Accountants

VIRAL A. MERCHANT

SHRUTISHEEL JHANWAR- Whole-time
Director & CFO

Partner

RAJESH SOLANKI- Company Secretary

Mumbai,

Mumbai,

Dated: 8th June, 2015

Dated: 8th June, 2015

INDEPENDENT AUDITOR'S REPORT

*TO THE MEMBERS OF
NIRVIKARA PAPER MILLS LIMITED*

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NIRVIKARA PAPER MILLS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as

on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note No.29(i)(a) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. According to the records of the Group and the information and explanations given to us, there were no amounts required to be transferred to Investor education and protection fund.

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

VIRAL A. MERCHANT
Partner
Membership No.
116279

Mumbai,
Dated: 8TH JUNE, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

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

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

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Group were reasonable and adequate in relation to the size of the Group and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Group has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Group and the same have been properly dealt with in the books of account.
- (v) In our opinion and according to the information and explanations given to us, the Group has not granted any loans, secured or unsecured, to companies, firms or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the order are not applicable.
- (vi) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Group and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (vii) In our opinion and according to the information and explanations given to us, the Group has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed there under.
- (viii) We have broadly reviewed the books of account maintained by the Group in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and

maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

- (ix) (a) According to the records of the Group and the information and explanations given to us, the Group has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2015 outstanding for a period of more than six months from the date they become payable.

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

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Including Interest and Penalty)	34,80,883	1991-1992	Jt. Commissioner of Sales Tax (Appeals) Assessing Authority
		2,28,22,324	2002-2003	
Income Tax Act	Income Tax	20,56,130	2009-2010	Dy. Commissioner of Income Tax Assessing Authority
		1,26,070	2010-2011	
Water Cess	Cess	1,88,56,716	1992-2015	Court of Civil Judge, Senior Division, Thane High Court
Textile Committee Act		15,92,088	1998-2000	
Central Excise Act	Excise Duty and Service Tax (Including Interest and Penalty)	8,14,609	2000-2004	Tribunal Assessing Authority
		11,38,063	2004-2012	
		86,69,763	1992-1994	
		6,39,64,704	1998-2000	
		4,87,318	2003-2004	

(c) According to the records of the Group and the information and explanations given to us, there were no amounts required to be transferred to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Holding Company was incorporated on 29th June, 2013, hence clause 3(viii) of the Order regarding the accumulated losses is not applicable to it. Further the Subsidiary Company neither has any accumulated losses at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Group has not defaulted in repayment of dues to banks.
- (x) In our opinion and according to the information and the explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Group has been noticed or reported during the year.

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

Mumbai
DATED : 8TH JUNE, 2015
Membership No. 116279

VIRAL A. M ERCHANT

Partner

Nirvikara Paper Mills Limited

Consolidated Balance Sheet as at 31st March, 2015

PARTICULARS		Note No.	Current Year Rupees
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUND			
(a) Share Capital	2		107,398,440
(b) Reserves and Surplus	3		570,346,961
			677,745,401
2 NON-CURRENT LIABILITIES			
(a) Long-Term borrowings	4		475,385,754
(b) Deferred Tax Liabilities (Net)	5		127,466,194
(c) Other Long term Liabilities	6		352,350
(d) Long-term provisions	7		5,813,284
			609,017,582
3 CURRENT LIABILITIES			
(a) Short Term borrowings	8		386,997,081
(b) Trade Payables	9		315,694,474
(c) Other current liabilities	10		265,132,415
(d) Short-term provisions	11		8,716,079
			976,540,049
TOTAL			2,263,303,032
II. ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	12		1,046,167,954
(ii) Intangible assets	13		694,788
(iii) Capital work-in-progress			694,420,035
			1,741,282,777
(b) Non Current Investments	14		5,565,700
(c) Long-term loans and advances	15		80,800,718
			86,366,418
2 CURRENT ASSETS			
(a) Inventories	16		199,660,474
(b) Trade receivables	17		147,807,467
(c) Cash and cash equivalents	18		3,961,469
(d) Short-term loans and advances	19		81,565,910

(e) Other current assets	20	2,658,517
		<u>435,653,837</u>
TOTAL		2,263,303,032

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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

As per our report of even date attached

For and on behalf of the Board of Directors

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ANURAG P. PODDAR-Chairman & Managing Director

**VIRAL A.
MERCHANT
Partner**

SHRUTISHEEL JHANWAR- Whole-time Director & CFO

Mumbai,

Dated: 8th June 2015.

RAJESH SOLANKI- Company Secretary

Mumbai,

Dated: 8th June 2015.

Nirvikara Paper Mills Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

PARTICULARS		Note No.	Current Year Rupees
I	Revenue from operations	21	282,989,918
II	Other Income	22	953,467
III	Total Revenue (I+II)		283,943,385
IV	Expenses :		
	Cost of materials consumed	23	140,307,183
	Changes in inventories of finished goods and work-in-progress	24	6,412,418
	Employee benefits expense	25	23,182,935
	Finance Cost	26	8,166,453
	Depreciation and other amortisation expense	27	10,893,573
	Other Expenses	28	119,163,963
	Total Expenses		308,126,525
V	(Loss) before tax ((III-IV)		(24,183,141)
VI	Tax expense:		
	- Current tax		4,070,388
	- Deferred tax		(1,325,082)
VII	(Loss) after Tax (V-VI)		(21,437,835)
VIII	Earnings per equity share:		
	Basic and Diluted		(2.00)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

**VIRAL A.
MERCHANT**

Partner

Mumbai,

Dated: 8th June 2015.

For and on behalf of the Board of Directors

ANURAG P. PODDAR-Chairman & Managing
Director

SHRUTISHEEL JHANWAR- Whole-time
Director & CFO

RAJESH SOLANKI- Company Secretary

Mumbai,

Dated: 8th June 2015.

Nirvikara Paper Mills Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO.1

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statement relates to Nirvikara Paper Mills Limited (the Company) and its 100% subsidiary (Balkrishna Synthetics Limited). The Company and its Subsidiary constitute the Group. The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Principal of consolidation

The consolidated financial statement are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statement as laid down under the Accounting Standard (AS 21) 'Consolidated Financial Statement', as notified under the Companies (Accounting Standard) Rules, 2006.

The Financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealised profits or losses.

All intra-group transactions have been entered at actual rates. Intragroup balances and intragroup transaction resulting unrealised profits are eliminated in full.

The excess of cost of investments in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements as goodwill. The excess of Company's portion of equity of the Subsidiaries over the cost of the investment there in is treated as Capital Reserve.

The consolidated financial statement are prepared by using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as in the Company's separate financial statement unless stated otherwise.

Use of Estimates

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

Nirvikara Paper Mills Limited

Fixed Assets

- A) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges, if any) and is net of permissible credits/set offs.
- B) Expenditure (including financing charges, if any), incurred for fixed assets, the construction/ installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

Effective from 1st April 2014, Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Machineries where the useful life is considered differently based on an independent technical evaluation as 9 to 30 years.

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

Investments

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

Valuation of Inventories

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

Subsidiary Company: Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Sales-(Holding Company)

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

Nirvikara Paper Mills Limited

Processing Charges-(Subsidiary Company)

Processing charges are excluding of Excise Duty, as the Company is not liable to pay the duty

Export Benefits

Export Incentive under Duty Drawback Scheme under EXIM Policy is accounted for in the year of Export.

Foreign Exchange Transactions

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

Employee Benefits:

A) Short-term employee benefits:

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

B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, employee state insurance scheme etc. provided by the company to its employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to its employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the Employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

Nirvikara Paper Mills Limited

Borrowing Cost

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

Taxation

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

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

Leases

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

Impairment

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

Provisions, Contingent Liabilities and Contingent Assets

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

Nirvikara Paper Mills Limited**Consolidate**

PARTICULARS	Current Year Rupees
<u>NOTE NO.2</u>	
SHARE CAPITAL	
Authorised :	
1,10,00,000 (Previous Year 50,000) Equity Shares of Rs.10 each	110,000,000
Issued Subscribed and fully paid up:	
1,07,39,844 (Previous Year 50,000) Equity Shares of Rs.10 each, fully paid up	107,398,440
	107,398,440
All the above shares are allotted as fully paid up pursuant to scheme of Arrangement, without payment being received in cash (Refer Note No. 39)	
Terms/rights attached to equity shares:	
All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital	
Shareholder's holding more than 5% Shares in the Company	
Name of Shareholders	No of Shares held
AKP EnterprisesLLP	2,666,493
% holding	24.83%
RAP Enterprises LLP	2,663,110
% holding	24.80%
<u>NOTE NO.3</u>	
RESERVES AND SURPLUS	
a. Capital Redemption Reserve	
Opening Balance	-
Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 39)	6,500,000
Closing Balance	6,500,000
a. Capital Reserves	
Opening Balance	-
Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 39)	509,225,404
Closing Balance	509,225,404
b. Surplus	
Opening Balance	(31,538)
Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 39)	76,090,929
(Less) : Net (Loss) for the current year	(21,437,834)
Closing Balance	54,621,557
	570,346,961

NOTE NO.4
LONG TERM BORROWINGS
Secured
Term loans from Bank
- External Commercial Borrowings

330,350,234

Secured by :

Exclusive mortgage charge over the immoveable Fixed Assets and hypothecation charge by way of pari-passu over the movable Fixed Assets of the Company

(3 million USD- Repayment in 15 Quarterly Equal Installments starting from September, 2013)

(7 million USD- Repayment in 15 Quarterly Equal Installments starting from Financial Year 2014-15)

(Interest rate 3 months LIBOR + 350 bpps)

-Working Capital Term Loan

120,000,000

To be secured by immovable and movable fixed Assets, Repayment Schedule from year 3- 5%, year 4- 20%, year 5 to year 7- 25%, rate of interest 12% or such other rate as may be specified by the bank from time to time.

Personal Guarantee is given by the Directors

-Other Term Loan

Secured by exclusive first charge by way of hypothecation of inventory and receivables of the Company and further Secured by charge on Land and Factory Building, Plant and Machinery and all other movable assets, present and future, of the Company. Repayable in a period upto 24 quarterly instalments from the date of respective loans at an interest of 12.50% p.a.

- Unsecured

Distributors/Dealers Deposit

25,035,520

475,385,754

Nirvikara Paper Mills Limited

PARTICULARS	Current Period Rupees
NOTE NO.5	
DEFERRED TAX LIABILITIES (NET)	
Deferred Tax Liability on account of :	
Depreciation	130,143,284
Deferred Tax Assets on account of :	
Expenses allowable for tax purpose when paid	2,677,090
Net Deferred Tax Liability	127,466,194
NOTE NO.6	
OTHER LONG TERM LIABILITIES	
Trade payable	
(Refer Note No.33 for details of Dues to Micro and Small Enterprises)	
- Security Deposits	352,350
	352,350
NOTE NO.7	
LONG TERM PROVISIONS	
-Provision for employee benefits - Gratuity	5,813,284
	5,813,284
NOTE NO.8	
SHORT TERM BORROWINGS	
Secured Loan From Banks	
- Loans repayable on demand (Cash Credit)	119,249,157
- Other Loans- PCFC/Buyers Credit	117,447,924
Secured by first pari-passu charge by way of hypothecation of inventory, receivable and movable fixed assets of the Company.	
Unsecured	
Loans repayable on demand	
- from Other Related Parties	150,300,000
	386,997,081
NOTE NO.9	
TRADE PAYABLE	
Sundry Creditors (including Acceptances)	315,694,474
(Refer Note No. 33 for details of Dues to Micro and Small Enterprises)	
NOTE NO.10	
OTHER CURRENT LIABILITIES	
-Current Maturity of Long Term Debt	195,816,618
- Interest accrued but not due on borrowings	6,994,075
- Income received in advance	22,181,552
Other payables	
- Others - Payable towards Capital Goods	12,149,129
- Statutory dues towards TDS/VAT/CST/Service Tax etc.	18,672,286
- Security Deposits	1,689,057
- Others	7,629,698
	265,132,415
NOTE NO.11	
SHORT TERM PROVISIONS	
Provision for employee benefits	
-Leave encashment	8,716,079
	8,716,079

Nirvikara Paper Mills Limited

NOTE NO.12

Tangible Fixed Assets	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)				Net Block		
	Balance As at 01.04.2014	Add/Adjust during the year	Deductions During the year	Balance As at 31.03.2015	Adjustment during the year	For the Year	Deductions During the year	Total upto 31.03.2015	As At 31.03.2015	As At 31.03.2014
Tangible assets										
(a) Land										
i) Freehold	-	3,543,134		3,543,134	-	-	-	-	3,543,134	-
ii) Leasehold		26,574,096		26,574,096	1,901,730	61,541		1,963,271	24,610,825	-
(b) Buildings	-	211,284,102		211,284,102	20,663,948	1,290,186	-	21,954,134	189,329,968	-
(c) Plant and Equipment	-	1,015,157,922	4,052,208	1,011,105,714	220,793,191	7,717,799	1,198,007	227,312,983	783,792,731	-
(d) Factory Equipment	-	23,136,657	-	23,136,657	9,150,709	485,194	-	9,635,903	13,500,754	-
(e) Furniture and Fixtures	-	9,128,843	-	9,128,843	3,040,249	148,444	-	3,188,693	5,940,150	-
(f) Vehicles	-	11,663,595	610,013	11,053,582	4,188,710	268,201	276,425	4,180,486	6,873,096	-
(g) Office Equipment	-	4,471,783		4,471,783	1,837,081	130,566	-	1,967,647	2,504,136	-
(h) Others	-			-		-		-	-	-
-Electric Installations	-	21,376,090	-	21,376,090	8,441,144	499,900	-	8,941,044	12,435,046	-
-Air Conditioners	-	2,024,880	-	2,024,880	1,107,062	56,611	-	1,163,673	861,207	-
-Computer	-	8,121,473	-	8,121,473	5,135,220	209,346	-	5,344,566	2,776,907	-
TOTAL TANGIBLE - CURRENT YEAR	-	1,336,482,575	4,662,221	1,331,820,354	276,259,044	10,867,788	1,474,432	285,652,400	1,046,167,954	-
NOTE NO.13										
Intangible assets										
(a) Computer software	-	4,920,297	-	4,920,297	4,199,724	25,785	-	4,225,509	694,788	-
TOTAL INTANGIBLE - CURRENT YEAR	-	4,920,297	-	4,920,297	4,199,724	25,785	-	4,225,509	694,788	
CAPITAL WORK IN PROGRESS									694,420,035	-

Depreciation on Fixed Asset is provided as per the provisions of Schedule II of the Companies Act, 2013 except for certain Plant and Machineries. Further based on the technical evaluation, the Company has determined useful life of certain Plant and Machineries which is different from the life as prescribed in para C of the said schedule, as a result the depreciation for the year ended is lower by Rs.16357930. (Refer Note No. 39)

NOTE NO.14

NON CURRENT INVESTMENTS- (At Cost)

Investments in Equity Instruments- Unquoted:

55,657 Equity Share of Rs.100 each of Tarapur Environment Protection Society

5,565,700

5,565,700

Nirvikara Paper Mills Limited

PARTICULARS	Current Period Rupees
NOTE NO.15	
LONG TERM LOANS AND ADVANCES	
(Unsecured, considered good)	
(a) Capital Advances	18,637,986
(b) Security Deposits	6,056,750
(c) Others loans and advances	
-Cenvat Credit/ Vat Credit Receivables	31,747,425
- Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	24,358,557
	80,800,718
NOTE NO.16	
INVENTORIES	
(As Certified by the Management)	
(At lower of Cost and Net Realisable Value)	
(a) Raw materials	63,921,479
(b) Work-in-Progress	7,196,230
(c) Finished Goods	56,880,127
(d) Stores and Spares	65,374,227
(e) Others -Packing Materials and Fuel	6,288,411
	199,660,475
NOTE NO.17	
TRADE RECEIVABLES	
Trade Receivables outstanding for a period less than Six Months	
(a) Secured Considered good	-
(b) Unsecured Considered good	147,807,467
	147,807,467
NOTE NO.18	
CASH AND CASH EQUIVALENTS	
-Balances with banks	3,723,362
-Cash on hand	238,107
	3,961,469
NOTE NO.19	
SHORT TERM LOANS AND ADVANCES	
Unsecured, considered good	
Others	
- Advance payment to suppliers	17,988,247
- Excise/Sales Tax/Service Tax/Custom Duty etc. receivables	57,053,585
- MAT Credit Entitlement	5,149,989
-Loans and advances to employees	1,374,089
	81,565,910
NOTE NO.20	
OTHER CURRENT ASSETS	
- Export Incentive Receivables	1,316,213
- Interest Accrued on others	1,342,304
	2,658,517
NOTE NO.21	
REVENUE FROM OPERATIONS	
- Sale of Products	209,638,109
- Sales of Services- Job Charges Received	85,040,377
Other Operating Revenue:	
-Export Incentives	350,625
-Scrap Sales	662,783
-Others	409,573
	1,422,981
	296,101,467
Less: Excise Duty	13,111,549
	282,989,918

Nirvikara Paper Mills Limited

	PARTICULARS	Current Period Rupees
NOTE NO.22	OTHER INCOME	
	- Interest income from Deposits, Customers and Income tax	714,834
	- Profit on sale of Fixed Assets	238,633
		953,467
NOTE NO.23	COST OF MATERIAL CONSUMED	
	- Raw Material Consumed	140,307,183
NOTE NO.24	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	
	Opening Stock :	
	Work-in-Progress	9,676,570
	Finished Goods	60,812,205
		70,488,775
	Less: Closing Stock-	
	Work-in-Progress	7,196,230
	Finished Goods	56,880,127
		64,076,357
	Net Decrease in Inventories	6,412,418
NOTE NO.25	EMPLOYEE BENEFIT EXPENSES	
	- Salaries and wages	18,926,192
	- Contribution to provident and other funds	3,045,507
	- Staff welfare expenses	1,211,236
		23,182,935
NOTE NO.26	FINANCE COST	
	(a) Interest expenses	8,254,408
	(b) Applicable net (gain) on foreign currency transactions and translation	(87,955)
		8,166,453
NOTE NO.27	DEPRECIATION AND AMORTISATION EXPENSES	
	Depreciation and amortisation	10,893,573
NOTE NO.28	OTHER EXPENSES	
	- Consumption of stores and spare parts	12,380,434
	- Packing expenses	5,995,424
	- Power and fuel	60,110,028
	- Freight and forwarding (Net)	3,975,077
	- Labour/Job Charges	12,509,266
	- Water charges	2,929,014
	- Repairs and Maintenance to buildings	992,075
	- Repairs and Maintenance to Machinery	2,383,186
	- Repairs and Maintenance to Others	217,640
	- Insurance Charges	1,592,265
	- Rates and Taxes excluding taxes on income	3,868,975
	- Rent	560,601
	- Legal and Professional charges	2,624,392
	- Commission	1,155,945
	- Discount	2,374,157
	- Travelling Expenses	597,048
	- Directors Meeting Fees	20,000
	- Net Foreign Exchange Loss	206,413
	- Interest Others	186,651
	- Miscellaneous expenses	4,485,373
		119,163,962

Nirvikara Paper Mills Limited

Consolidated Balance Sheet as at 31st March, 2015

Consolidate

PARTICULARS	Current Year Rupees
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NOTE NO.29

Contingent Liabilities and commitments

(i) Contingent Liabilities

a) Claims against the Company not acknowledge as debts

- Disputed claims for excise, cess, sales tax and service tax	121,826,468
- Disputed income tax demands	2,182,200
- Others	58,748,723

b) Guarantees

-Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	27,347,656
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(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	38,555,452
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NOTE NO.30

Earning Per Share (EPS)

(In accordance with Accounting Standard - 20)

Profit / (Loss) after Tax	(21,437,835)
Number of Equity Shares outstanding for Basic/ Diluted Earning Per Share	10,739,844
Nominal Value of Equity Shares (in Rupees)	10
Earning Per Share Basic/Diluted	(2.00)

Nirvikara Paper Mills Limited

NOTE NO.31

l) Related Party Disclosures *

(Where transactions have taken place)

- a) Key Management Personnel (KMP)
Mr. Anurag P. Poddar- Chairman & Managing Director , Mr. Ankit P. Poddar - Executive Director, Mr. Shrutisheel Jhanwar - Whole-time Director & CFO, Mr. Rajendra Jhanwar- Director (works)
- c) Other Related Parties -(Enterprises having significant influence)
Siyaram Silk Mills Ltd., S P Finance & Trading Ltd., Sanchana Trading Ltd., Balkrishna Industries Ltd.

Transactions

- 1 Purchase of Goods/Materials/Services
- 2 Processing Charges
- 3 Reimbursement of Expenses
- 4 Payment of Rent
- 5 Remuneration
- 6 Inter Corporate Loan Received
- 7 Inter Corporate Loan Repayment
- 8 Interest paid on Loan received
- 9 Payables
- 10 Interest accrued but not due on borrowings
- 11 Personal Guarantee against Working Capital Term Loan

KMP	Other Related Parties	Total
NIL	204,511	2,04,511
(NIL)	(NIL)	(NIL)
NIL	85,040,377	8,50,40,377
(NIL)	(NIL)	(NIL)
NIL	90643	90,643
(NIL)	(NIL)	(NIL)
NIL	379083	379,083
(NIL)	(NIL)	(NIL)
23,60,349	NIL	23,60,349
(NIL)	(NIL)	(NIL)
NIL	11,000,000	1,10,00,000
(NIL)	(NIL)	(NIL)
NIL	1,000,000	10,00,000
(NIL)	(NIL)	(NIL)
NIL	2,663,233	26,63,233
(NIL)	(NIL)	(NIL)
108,845	180,898,009	18,10,06,854
(NIL)	(NIL)	(NIL)
NIL	1,915,979	1,915,979
(NIL)	(NIL)	(NIL)
250,000,000	NIL	250,000,000
(NIL)	(NIL)	(NIL)

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

- 1 Purchase of Goods/ Materials includes : Siyaram Silk Mills Limited Rs. 2,04,511 (Previous Year Rs.Nil)
- 2 Sale of Finished Goods / Processing Charges includes: Siyaram Silk Mills Ltd Rs. 8,50,40,377
- 3 Reimbursement of Expenses includes: Balkrishna Industries Ltd. Rs. 90,643 (Previous Year Rs. Nil)
Rent Paid Includes : Siyaram Silk Mills Ltd. Rs. 3,67,501 (Previous Year Rs. Nil), Balkrishna Industries Ltd Rs. 11,582 (Previous Year Rs. Nil)
- 4 Remuneration to Key Management Personnel includes :
Mr. Anurag P Poddar **Rs. 5,86,612** (Previous Year Rs.Nil), Mr. Ankit P Poddar **Rs.5,95,366** (Previous Year Rs. Nil), Mr. Shrutisheel Jhanwar Rs. **6,07,060** (Previous Year Rs.Nil) Mr Rajendra Jhanwar Rs. **5,71,311** (Previous Year Nil)
- 5 Inter Corporate Loan Received includes : S. P. Finance & Trading Ltd. Rs.1,10,00,000 (Previous Year Rs. Nil)
- 6 Inter Corporate Loan Repayment includes :Sanchana Trading & Finance Limited Rs.10,00,000 (Previous Year Rs.Nil)
Interest Paid on Loan Received includes : S. P. Finance & Trading Ltd. **Rs.20,67,808** (Previous Year Rs. Nil), Sanchana Trading & Finance Limited **Rs. 5,699** (Previous Year Rs. Nil) Siyaram Silk Mills Ltd Rs. **5,89,726**
- 8

- 9 Payables to KMP and Other Related Parties includes :
S. P. Finance & Trading Ltd. **Rs.10,98,00,000** (Previous Year Rs.Nil) Siyaram Silk Mills Ltd. Rs. 7,10,98,009 (Previous Year Nil) Mr Rajendra Jhanwar Rs. 1,08,845
- 10 Interest accrued but not due on borrowings includes: S. P. Finance & Trading Ltd. Rs.19,07,966 (Previous Year Rs. Nil), Sanchana Trading & Finance Limited Rs. 8,013 (Previous Year Rs. Nil)
- 11 Personal Guarantee against working capital Term loan given by KMP: Mr Anurag P. Poddar and Mr Ankit P. Poddar Rs. 25,00,00,000
- * Parties identified by the Management and relied upon by the auditors.
- No amount in respect of related parties have been written off/back or are provided for during the year.

NOTE NO.32

Leases - Operating leases

- i) The company has taken commercial premises under cancellable operating leases.
- ii) The rental expenses recognised in Statement of Profit and Loss for operating leases:
- (a) Minimum Rent
- (b) Contingent Rent
- iii) The Company does not have any assets given on lease.

327,075	-
NIL	NIL

NOTE NO.33

- a) As at 31st March,2015, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO.34

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

Defined benefit plans - As per actuarial valuation in respect of Gratuity		Current Year
Sr. no.	Descriptions	Rupees
i	Components of employer expenses	
	Current Service Cost	249,029
	Interest Cost	220,331
	Expected Return on Plan Assets	(138,517)
	Past Service Cost (vested benefit) recognised	NIL
	Actuarial Loss/(Gain)	324,756
	Total Expenses recognised in the statement of Profit & Loss Account in Note No.26	655,599
ii	Actual Contribution and Benefit Payments for the year end	
	Actual Benefit Payments	2,660,236
	Actual Contributions	2,412,610
iii	Net Liability recognised in balance sheet at the year end	
	Present Value of Defined Benefit Obligation	16,126,482
	Fair value of plan assets	(16,540,560)
	Net Liability/(Asset) recognised in balance sheet	(276,720)
iv	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO)	

	Present Value of DBO at the beginning of the year	17,958,251
	Liability transfer in	16,361,040
	Current Service cost	249,029
	Interest cost	411,753
	Past Service Cost (Vested Benefit)	NIL
	Actuarial (Loss)/ Gain on DBO	167,685
	Benefits paid	(2,660,236)
	Present Value of DBO at the end of the year	32,487,522
v	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets	
	Plan assets at the beginning of the year	16,615,318
	Assets transfer in	10,133,678
	Expected return on plan assets	329,939
	Actual Company contributions	2,412,610
	Actuarial (Loss)/ Gain on Plan Assets	(157,071)
	Benefits paid	(2,660,236)
	Plan assets at the end of the year	26,674,238
vi	Actuarial Assumptions	
	Discount Rate	7.97%
	Expected Return on plan Assets	7.93%
	Salary escalation	4.50%
	a) Defined Contribution Plans-	
	The Company's contribution to defined contribution plans aggregating to Rs.17,74,796 (Previous Year Rs.Nil) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No.25) .	
	b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.	

NOTE NO.35

	Payment to Auditors	
a)	Statutory Auditors	
	- Audit Fees	188,167
	- For taxation matters	130,000
	- For Company Law matters	25,000
	- For Other Services- Certification Charges, etc.	55,000
	- For reimbursement of Service Tax	49,213
b)	Cost Auditors	
	- Audit Fees	10,274
	- For reimbursement of Service Tax	1,270

NOTE NO.36

-Amount of Borrowing Cost capitalised	6,919,158
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NOTE NO.37

SEGMENT INFORMATION

Primary Business Segments:-

Particulars	Paper/Paper Boards	Textile Processing	Total
<u>Segment Revenue</u>			
Total Sales and Related Income	210,408,396	85,693,071	296,101,467
	(-)	(-)	(-)
Less: Inter Segment Sales	NIL	NIL	NIL
	(-)	(-)	(-)

External Sales and Related Income	210,408,396	85,693,071	296,101,467
	(-)	(-)	(-)
Less: Excise Duty Recovered on Sales	13,111,549	NIL	13,111,549
	(-)	(-)	(-)
Net Sales and Related Income	197,296,847	85,693,071	282,989,918
	(-)	(-)	(-)
Segment Result	(23,159,682)	8,298,452	(14,861,230)
			(-)
Less: Unallocated Corporate Expenses			1,870,292
			(-)
			(16,731,522)
			(-)
Add: Unallocable Corporate Income			714,834
			(-)
Operating Loss before Finance Cost and Tax			(16,016,688)
			(-)
Less:			
Finance Cost			8,166,453
			(-)
Loss Before Tax			(24,183,141)
			(-)
Less: Provision for Taxation			
- Current tax			4,070,388
			(-)
- Deferred tax			(1,325,082)
			(-)
Loss After Tax			(21,437,835)
			(-)
Segment Assets	1,808,029,929	363,011,630	2,171,041,559
	(-)	(-)	(-)
Unallocated Assets			86,695,773
			(-)
Total Assets			2,257,737,332
			(-)
Segment Liabilities	248,268,416	93,329,370	341,597,786
	(-)	(-)	(-)
Unallocated Liabilities			254,110,816
			(-)
Total Liabilities			595,708,602
			(-)
Total Cost incurred during the year to acquire Segment Fixed Assets	2,192,499	19,278,738	21,471,237
	(-)	(-)	(-)
Segment Depreciation and Amortisation	5,361,854	5,531,719	10,893,573
	(-)	(-)	(-)

Notes

- i) The Management has identified Business Segment as the Primary Segment. Segments have been identified taking into account the nature of the products, differing risks and returns, organisational structure and internal reporting system.
- ii) Composition of the Business Segment :-

	Name of the Segment:	Comprises of:	
	a. Paper / Paper Boards	Coated & Uncoated Paper Boards	
	b. Textile Processing	Processing of Synthetic Textile Fabric	
iii)	Inter-Segment transfers are done at realisable value / sales prices.		
iv)	Segment Revenue, Segment Results, Segments Assets and Segment Liabilities includes the respective amounts identifiable to each of the Segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segments, are shown as unallocated corporate cost. Assets and Liabilities that can not be allocated amongst the segments are shown as unallocated assets and liabilities respectively.		
		Current Year	Previous Year
v)	Unallocated assets exclude :	Rupees	Rupees
	Investments	5,565,700	-
vi)	Unallocated liabilities exclude :		
	Secured Loans	882,863,933	-
	Unsecured Loans	175,335,520	-
	Deferred Tax Liabilities (Net)	127,466,194	-
		1,185,665,647	-
vii)	Reference is also invited to Note No. 39		

NOTE NO.38

PARTICULARS

Derivative Instruments

- a) Hedging Contracts :
- i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose.
- ii) Derivative Instruments outstanding
Forward Exchange Contracts :
- Particulars**
- Total No. of contracts outstanding for amount receivable on account of Export of Goods. **21**
- Foreign Currency Value covered :
US Dollars **1,050,000**
- iii) Interest rate (LIBOR) Swap Contracts :
- The Company also uses derivative contracts other than forward contracts to hedge the interest rate on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

Total No. of contracts outstanding	2
Principal Notional Amount (US Dollar)	7,398,700
b) Unhedged foreign currency exposure is as follows:	
Particulars	
Amounts Payable :	
Loans US Dollars:	
US Dollars	7,973,696
Interest US Dollars	64,194

NOTE NO.39

- a) A scheme of arrangement ("Scheme") under section 391 to 394 of the Company's Act 1956 between Balkrishna Industries Limited (BIL), Balkrishna Paper Mills Limited (BPML), Nirvikara Paper Mills Limited (Company), their respective shareholders and creditors was approved by Hon'ble High Court of Judicature at Bombay vide Order dated 19th December 2014
- b) BPML, which was engaged in the business of manufacturing of paper board, has been amalgamated with BIL with effect from the Appointed Date, i.e., 1st April 2013 whereby, the assets, liabilities and reserves of BPML has been vested with BIL and have been recorded at their respective book value, under the pooling of interest method of accounting for amalgamation.
- c) The Paper Division Undertaking of the Company have been demerged to the Company with effect from the Effective Date, i.e., 10th February 2015, whereby the Company's Share Capital of Rs. 5 lacs stands cancelled and an aggregate of 1,07,39,844 equity shares of Rs. 10 each of the Company were issued to the equity shareholders of BIL in the ratio of 1 equity share of the Company for every 9 equity shares held in BIL.
- d) The effect of the Scheme has been considered in these financial statements for the year ended 31st March, 2015.
- e) The authorised share capital of the Company has been increased to Rs. 11,00,00,000 consisting of 1,10,00,000 Equity Shares of Rs. 10 each.

NOTE NO.40

Previous year's figures have not been given since the subsidiary is acquired during the year.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

VIRAL A. MERCHANT

Partner

For and on behalf of the Board of Directors

ANURAG P. PODDAR- Chairman & Managing Director

SHRUTISHEEL JHANWAR- Whole-time Director & CFO

RAJESH SOLANKI- Company Secretary

Mumbai,

Dated: 8th June, 2015

Mumbai,

Dated: 8th June, 2015

Nirvikara Paper Mills Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Year Ended
31st March 2015

A CASH FLOW FROM OPERATING ACTIVITIES :

(Loss) Before tax (24,183,141)

Adjustment for :

Depreciation and Amortisation 10,893,573

Finance Cost 8,166,453

Interest Income (714,834)

(Profit)/ Loss on Sale of Fixed Assets (Net) (238,633)

Unrealised Foreign Exchange differences Loss/(Gain) 74,152

Retiring Gratuities 1,750,094

Leave Encashment 1,770,491

21,701,296

Operating Loss before working capital changes (2,481,845)

Adjustment for:

Trade and other receivables (2,890,340)

Inventories 33,250,779

Trade payables 35,617,074

65,977,513

Cash generated from operations 63,495,668

Direct taxes refund received/(paid) (598,373)

Gratuity paid (3,507,105)

Leave Encashment paid (2,051,460)

Net cash from Operating Activities 57,338,730

B CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets & Capital Work in Progress (24,556,593)

Sale of Fixed Assets 4,700,784

Interest received 697,043

Net cash used in Investing Activities (19,158,766)

C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds/(Repayment) of Short Term Borrowings (Net) 19,957,368

Proceeds from Long Term Borrowings -

Repayment of Long Term Borrowings (50,794,100)

Finance Cost Paid (5,259,351)

Net Cash from Financing Activities (36,096,083)

Net Increase/ (Decrease) in cash and cash equivalent 2,083,881

Cash and cash equivalent as at the beginning of the year * 481,600

Cash and cash equivalent transferred upon acquisition of Subsidiary * 1,395,988

Cash and cash equivalent as at the end of the year 3,961,469

Note :

* Reference is also invited to Note No. 14 of the standalone Balance Sheet.

Previous year's figures have not been given since the subsidiary is acquired during the year.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

ANURAG P. PODDAR- Chairman &
Managing Director
SHRUTISHEEL JHANWAR- Whole-time
Director & CFO

VIRAL A. MERCHANT
Partner

RAJESH SOLANKI- Company Secretary
Mumbai,
Dated: 8th June, 2015

Mumbai,
Dated: 8th June, 2015

Outstanding Litigations, Defaults and Material Developments

All suits, actions and proceedings of whatever nature by or against the Company pending and/or arising on or before the Effective Date of the Scheme shall not abate, or be discontinued or be in any way prejudicially affected by reason of the transfer of the demerged undertakings pursuant to the Scheme but be continued, prosecuted and enforced by or against the Resulting Company, viz., Nirvikara Paper Mills Limited as effectually as if the same had been pending and/or arising against the Demerged Company.

Save as stated herein, there are no outstanding or pending material litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part 1 of Schedule XIII of the Companies Act) or litigation for tax liabilities against the Company, its Promoters, Directors or Promoter Group companies and there are no material defaults, non payments or overdue of statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares, other than unclaimed liabilities of the Company, its Promoters or Promoter Group Companies.

Legal Proceedings

I. Balkrishna Industries Limited (“BIL”)

1. BIL filed execution proceedings before the District Court, Jaipur against VSPL for execution of the Arbitration Award dated 14 June 2012. The matter is currently pending.
2. BIL along with other members filed a company petition number Company Petition No. 24/2013 before the Company Law Board (“**CLB**”), Chennai against VSPL for oppression and mismanagement. By an order dated 5 August 2013, CLB allowed the conversion of class ‘B’ preference shares as proposed by VSPL. However, the issue regarding the sale of undertaking has not been decided by CLB. The matter is currently pending.
3. BIL filed a writ petition number WP/10753/2013 (“**Petition**”) before the Hon’ble High Court of Rajasthan, Jodhpur (“**High Court**”) against VSPL. The Petition was filed against the order of the Rajasthan Electricity Regulatory Commission dated 24 May 2013 seeking directions to declare VSPL plant as captive power plant. This will enable BIL to get exemption from payment of electricity duty, water conservation cess and urban cess etc. The Petition was heard on 29 August 2013 and the High Court granted an ad- interim stay to BIL. The matter is currently pending.
4. BIL filed an appeal number Appeal No. C/13864/2013 (“**Appeal**”) before CESTAT, Ahmedabad against the Commissioner of Customs, Kandla (“**Commissioner**”). BIL had imported Synthetic Rubber which was found to be defective. The goods were cleared

through DEPB scrips. The goods were re-exported with the permission of Custom Authorities and re-credit of DEPB scrips was sought. This request was rejected. Aggrieved, BIL preferred the Appeal against the Order-In-Original No. KDL/Commr/33/2013-14 dated 18 September 2013 passed by the Commissioner disallowing re-credit of DEPB scrips worth Rs 0.25 lacs. The matter is currently pending.

5. BIL filed a writ petition number WP/37/2014 before the Hon'ble High Court of Bombay against the Union of India and others challenging the levy of safeguard duty on import of carbon black. The matter is currently pending.
6. BIL filed a civil writ petition number S.B. Civil Writ Petition No. 4752/2014 before the Hon'ble High Court of Rajasthan, Jodhpur against JVVNL challenging the imposition of cross subsidy charges levied by LVVNL. The matter is currently pending.
7. V S Lignite Power Private Limited ("**VSPL**") filed an appeal ("**Appeal**") before the Hon'ble High Court of Rajasthan, Jaipur against BIL. BIL had entered into a Power Delivery Agreement ("**Agreement**") and Share Subscription Agreement with VSPL. Due to irregular power supply and breach of terms and conditions of the Agreement, all user members including BIL filed an arbitration petition before the Arbitral Tribunal. The arbitration award dated 14 June 2012 ("**Award**") was passed in favour of the user members. VSPL challenged the Award by filing a petition under section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Jaipur. The said petition was also dismissed vide order dated 24.12.2012. Aggrieved by the order dated 24.12.2012 passed by the District Court, Jaipur, VSPL preferred the present Appeal. The matter is currently pending.
8. VSLP filed a special leave petition number SLP NO. 28840/2013 before the Hon'ble Supreme Court against Manoj Kanunga & Others (BIL as a formal party) aggrieved by order dated 23 April 2013 passed by the High Court of Andhra Pradesh in C.A. No. 10/2012. The matter is currently pending.
9. JVVNL filed 2 separate writ petitions number WP/11729 & 11730/2010 ("**Petitions**") before the Hon'ble High Court of Rajasthan, Jaipur against BIL. BIL had challenged the billing methodology adopted by JVVNL before the Rajasthan Electricity Regulatory Commission ("**RERC**"). RERC partly allowed the petition. Aggrieved by this decision, JVVNL filed the Petitions challenging the order of RERC. BIL has received the refund amount from JVVNL for the prospective period and has requested JVVNL to withdraw the Petitions as JVVNL has already implemented the RERC order by refunding the amount to BIL.
10. JVVNL filed a civil writ petition number S.B. Civil Writ Petition No. 1465/2011 before the Hon'ble High Court of Rajasthan, Jaipur against BIL. Being aggrieved by an order of

JVVNL imposing penalty of Rs. 20 lacs, BIL approached the Electricity Ombudsman, Jaipur, who directed JVVNL to refund the penalty amount to BIL. JVVNL then filed an appeal against the order dated 24 December 2010 passed by the Electricity Ombudsman, Jaipur. An ad-interim stay has been granted in favour of JVVNL. BIL, thereafter, filed an application for vacating the stay which was granted ex-parte. The matter is currently pending.

A. Bhuj Plant

1. BIL filed an appeal before the Additional Director, Appeal and Flying Squad against the Geology and Mining Department to waive the penalty order of Rs 7.90 lacs. The matter is currently pending.
2. Factory Inspector filed a case number CRCS 438/14 before the Court of CGM, Bhuj Court against BIL for the accidental death of Mr. Raj Aboti, a contract worker who died an accidental death while working in November 2013. The matter is currently pending.
3. BIL received a show cause notice dated July 21, 2014 demanding recovery of arrears of Professional Tax from June 2011 to June 2013. BIL applied for Professional Tax registration in June 2011 wherein they mentioned that their business started from March 2011 and presently 4 employees were on deputation and recruitment would start from July 2011. BIL received the registration on August 18, 2011. A letter dated September 23, 2013 was received by BIL stating that due to non-compliances the Collector did not accept the 65-B application. Therefore, the Professional Tax registration was required to be cancelled since BIL did not pay the Professional Tax. BIL sent a letter to the TDO – Bhuj stating reasons for non-payment of the Professional Tax. The matter is currently pending.
4. The Revenue Branch of Collector filed a case against BIL for breach of 89-A Certificate covering 4 survey numbers. During N.A. process Revenue Branch of Collector found that the land under reference was purchased by SPG Infrastructure for industrial purpose and had obtained 89-A Certificate. Due to certain reasons the said land was sold to BIL for industrial purpose and thereafter BIL obtained 89-A Certificate. Hence there was a breach under section 89(K)(4)(KH) of the Bombay Ganot Vahivat and Agriculture land (Vidarbha and Kutch region) Act, 1958 and Certificate Rules about the said survey numbers. However, SPG Infrastructure had sold these survey numbers to BIL with prior written permission of the Government. Therefore, the question of the said breach referred here in above should not have arisen. On the basis of the submissions to the Collector, the Collector has asked for further advice in the matter from the Additional Chief Revenue, Gandhinagar, whether the said survey numbers should be converted in N.A. or not. The matter is currently pending.

B. Waluj Plant

1. Mr. Eknath R. Nade filed a complaint number 05/2003 before the Labour Court against BIL under section 4 of the Workmen Compensation Act, 1923. On 4 May 2002 Mr. Eknath Nade was working in first shift under the supervision of Mr. Sasane. At about 3 P.M. all of a sudden the flier iron mould of the crane from the 1st floor hit the right leg of Mr. Eknath Nade which resulted in unconsciousness. The said accident caused during the course of employment and resulted in permanent total disablement. The matter is currently pending.
2. Mr. D R Lande filed a revision application number Ref/02/2013 before the Labour Court, Ahmedabad against BIL. A charge-sheet was filed against him and an enquiry was initiated. During the enquiry proceedings, the charge against him was proven and he was discharged from his duties. Aggrieved, he filed a complaint before the Deputy Commissioner, Ahmedabad. The Deputy Commissioner transferred the matter to the Labour Court. The matter is currently pending.

C. Bhiwadi

1. Jaswanr Singh has filed a case NO. 4/ 13 against Govind Rubber Ltd, BIL and others at Civil Judge and Judicial Magistrate Tijara Court, Distt Alwar.

II. Siyaram Silk Mills Limited (“SSML”)

1. There are 21 cases filed under the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate Court involving SSML amounting to Rs. 278.16 lacs. The cases are currently pending.
2. SSML filed a recovery suit before the Bombay City Civil Court against M/s Leo the Men’s World, Ahmedabad for recovery of the outstanding amount of Rs. 3.22 lacs for fabrics supplied by SSML. The matter is currently pending.
3. SSML filed a recovery suit before the Bombay City Civil Court against M/s Signature, Ahmedabad for recovery of the outstanding amount of Rs. 2.15 lacs for fabrics supplied by SSML. The matter is currently pending.
4. SSML filed a recovery suit before the Bombay City Civil Court against M/s Tulsi Creation, Surat for recovery of the outstanding amount of Rs. 1.24 lacs for fabrics supplied by SSML. The matter is currently pending.

5. SSML filed a criminal complaint against Mr. Alok Bhimrajka, an employee of SSML alleging him of misappropriation of funds and manipulation of accounts. The matter is currently pending.
6. SSML filed a case before the Bombay High Court against Stanford Siyaram Pvt. Ltd. for infringement of the registered trade mark of SSML. The matter is currently pending.
7. SSML filed a case before the Bombay High Court against Shree Siyaram Fab Pvt. Ltd. and others for infringement of the registered trade mark of SSML. The matter is currently pending.
8. SSML filed an appeal before the Bombay High Court against Shree Siyaram Fab Pvt. Ltd. and others against the order dated September 19, 2014 for infringement of the registered trade mark of SSML. The matter is currently pending.
9. SSML filed a case before the Bombay High Court against Sairam Suitings Pvt. Ltd. for infringement of the registered trade mark of SSML. The matter is currently pending.
10. SSML filed a rectification application before the Intellectual Property Appellate Tribunal against Stanford Siyaram Pvt. Ltd. for infringement of the registered trade mark of SSML. The matter is currently pending.
11. SSML filed a rectification application before the Intellectual Property Appellate Tribunal against Stanford Siyaram Pvt. Ltd. for infringement of the registered trade mark of SSML. The matter is currently pending.
12. SSML filed a rectification application before the Intellectual Property Appellate Tribunal against Shree Siyaram Fab Pvt. Ltd. and others for infringement of the registered trade mark of SSML. The matter is currently pending.
13. SSML filed a recovery suit before the High Court against Tessiwal SPA, Italy for export supplies. The matter is currently pending.
14. Smt. Mahima Mangesh Pawade filed a case under the Motor Vehicle Act, 1998 before the Motor Accident Claim Tribunal, Palghar against SSML for an accident which involves death of a person and claiming Rs. 50 lacs as compensation. The matter is currently pending.

III. *Balkrishna Paper Mills Ltd (“BPML”)*

1. BPML filed a case before the Civil Court, Kalyan against Neptune Builder. BPML had purchased 7R land out of 2990 square meters bearing serial number 48/2 situated at

Ambivali ("Land"). At the time of registration, the Urban Land (Ceiling and Regulation) Act, 1976 was in existence so the registration of BPML was kept pending at the Sub-Registrars' Office, Kalyan. Thereafter, in 2001, BPML received a notice to submit the relevant documents and complete the registration procedure. In May 2013, BPML has completed registration and pending document registered with the Sub-Registrar, Kalyan. When BPML started the registration process in December 2013, BPML came to know that the Land was sold to Neptune Builders. BPML sent a legal notice to the concerned owner of the land and Neptune Builders but only Neptune Builders received the notice and other notice returned as the concerned persons not found on the address. The matter is currently pending.

2. BPML filed a case bearing number 21/11 before the Civil Court, Kalyan against Neptune Builder for contempt of court in case no. 319/09 in which BPML got injunction order for encroachment on land bearing serial number 8/20 and order for injunction. The matter is currently pending.
3. BPML filed a writ petition before the High Court against the State of Maharashtra and others challenging the order passed by the trial court. In 1992 BPML filed a suit before the Court of Joint Civil Judge, Kalyan for declaration and injunction against the State of Maharashtra for charging exorbitant water charges and in violation of the terms of the agreement between the State of Maharashtra and BPML. The order was passed in favour of BPML. Aggrieved, the State of Maharashtra filed an appeal before the Additional District Court, Kalyan. In 1996 also BPML filed a suit before the Court of Joint Civil Judge, Kalyan for declaration and injunction against the State of Maharashtra for charging exorbitant water charges and in violation of the terms of the agreement between the State of Maharashtra and BPML. The order was passed in favour of BPML. Aggrieved, the State of Maharashtra filed an appeal before the Additional District Court, Kalyan. The Additional District Judge passed an order in favour of the State of Maharashtra and dismissed the appeals. Aggrieved, BPML filed the present writ petition. After hearing the parties, the High Court remanded the matter to the District Court, Thane to decide the matter in pursuance to the amendments suggested by the High Court. The matter is currently pending.
4. BPML filed an appeal before the Commissioner of Income Tax (Appeals) against the Assessing Officer. The Assessing Officer passed an order for assessment year 2010-11 disallowing certain expenses claimed by BPML. Aggrieved, BPML filed the present appeal under section 143(3) of the Income Tax Act, 1961. The matter is currently pending.
5. BPML filed for restoration of appeal before the Joint Commissioner of Sales Tax (Appeals) II ("**Jt. Commissioner**") against the order passed by the Jt. Commissioner. The Senior Deputy Commissioner of Sales Tax ("**Senior Commissioner**") issued a

notice number 11/S/430 dated January 17, 2001 for the assessment year 2002-03. The Senior Commissioner vide its order held BPML liable to pay Rs. 2,28,22,324. Aggrieved, BPML filed an appeal before the Jt. Commissioner who vide its order held BPML liable to pay Rs. 2,43,17,296. Therefore, BPML filed the present restoration of appeal. In May 2013, BPML completed the procedure of Registration before the Sub-Registrar, Kalyan. The matter is currently pending.

6. Mrs. Banabai Bhagat filed an objection to the notice issued by the Talahati under section 150(2) of the Maharashtra Land Revenue Code before the Tahasildar, Kalyan against BPML. BPLM had purchased 810 square meters of land bearing serial number 46/11p situated at Ambivali. A Memorandum of Understanding (*Sathe Karar*) was executed between the parties. At the time of registration, the Urban Land (Ceiling and Regulation) Act, 1976 was in existence so the registration of BPML was kept pending at the Sub-Registrars' Office, Kalyan. Thereafter, in 2001, BPML received a notice to submit the relevant documents and complete the registration procedure. In May 2013, BPML realised that the said land was sold to Neptune Builders including their purchased land. The matter is currently pending.
7. Mr. Damodar Patil filed an objection to the notice issued by the Talahati under section 150(2) of the Maharashtra Land Revenue Code before the Tahasildar, Kalyan against BPML. BPLM had purchased 1960 square meters of land bearing serial number 48/2p situated at Ambivali. A Sale Deed was executed between the parties. At the time of registration, the Urban Land (Ceiling and Regulation) Act, 1976 was in existence so the registration of BPML was kept pending at the Sub-Registrars' Office, Kalyan. Thereafter, in 2001, BPML received a notice to submit the relevant documents and complete the registration procedure. In May 2013, BPML completed registration at the Sub-Registrar, Kalyan. The matter is currently pending.
8. Mr. Mangaldas Patil filed an objection to the notice issued by the Talahati under section 150(2) of the Maharashtra Land Revenue Code before the Tahasildar, Kalyan against BPML. BPLM had purchased 3100 square meters of land bearing serial number 46/8A situated at Ambivali. A Sale Deed was executed between the parties. At the time of registration, the Urban Land (Ceiling and Regulation) Act, 1976 was in existence so the registration of BPML was kept pending at the Sub-Registrars' Office, Kalyan. Thereafter, in 2001, BPML received a notice to submit the relevant documents and complete the registration procedure. In May 2013, BPML completed registration at the Sub-Registrar, Kalyan. The matter is currently pending.
9. Mr. Narendra Bhagat filed an objection to the notice issued by the Talahati under section 150(2) of the Maharashtra Land Revenue Code before the Tahasildar, Kalyan against BPML. BPLM had purchased 3880 square meters of land bearing serial number 46/6 situated at Ambivali. A Sale Deed was executed between the parties. At the time of

registration, the Urban Land (Ceiling and Regulation) Act, 1976 was in existence so the registration of BPML was kept pending at the Sub-Registrars' Office, Kalyan. Thereafter, in 2001, BPML received a notice to submit the relevant documents and complete the registration procedure. In May 2013, completed registration at the Sub-Registrar, Kalyan. The matter is currently pending.

10. Mr. Parshuram Patil ("**Plaintiff**") filed a civil suit number Case No. 398/11 before the Civil Court, Kalyan against BPML challenging the sale deeds registered in the year 1965 and 1968 for serial number 55/1A and 8/20 respectively ("**Sale Deeds**"). The Plaintiff has contended that the Sale Deeds have not been signed by the legal heirs of the owner and hence the Sale Deeds have an error. The matter is currently pending.
11. Mr. Shivram Tare ("**Plaintiff**") filed a civil suit number Case No. 362/10 before the Civil Court, Kalyan against BPML challenging the sale deed dated August 24, 1968 executed between the Predecessor-in-title and M/s Pepchemi Corporation Ltd. ("**Sale Deed**") on the grounds that the Sale Deed did not have signature of 3 members of the joint family at the time of registration. The Plaintiff has sought declaration and cancellation of the Sale Deed as illegal and null. The matter is currently pending.
12. Mr. Shivram Tare ("**Plaintiff**") filed a miscellaneous application number Case No. 31/11 before the Civil Court, Kalyan against BPML being aggrieved by the order below Exh.5 which was rejected by the Court in case no.362/10 challenging the sale deed dated August 24, 1968 executed between the Predecessor-in-title and M/s Pepchemi Corporation Ltd. ("**Sale Deed**") on the grounds that the Sale Deed did not have signature of 3 members of the joint family at the time of registration. The Plaintiff has sought declaration and cancellation of the Sale Deed as illegal and null. The matter is currently pending.
13. KDMC filed an appeal before the Additional District Judge, Kalyan against BPML. Since June 2000, KDMC collected 2.5% extra levy (Octroi) on waste paper. BPML filed a suit in Senior Division, Kalyan. The court passed an order allowing the suit and ordered KDMC to deposit the extra amount collected from BPML. Aggrieved, KDMC filed the present appeal. The matter was decided and appeal was dismissed vide Court order on February 18, 2015 ("Order"). KDMC obtained stay on the execution of the Order. The matter is currently pending.
14. Mr. Chandrakant Gopinath Patil ("**Complainant**") filed a complaint before the Labour Court, Thane against BPML. The Complainant is an ex-employee of BPML. He assaulted another worker in BPML. An enquiry was conducted thereafter wherein it was concluded that he was the culprit. In furtherance to the said enquiry, he was removed by the management of BPML. Aggrieved, the Plaintiff filed the present case. The Labour Court passed an order against BPML stating that the enquiry conducted was not fair.

Aggrieved, BPML filed a revision application before the High Court to stay the order. The matter is currently pending.

15. Mr. Vasudev Sadashiv Bhoir ("**Complainant**") filed a complaint case number 35/2009 before the Labour Court, Thane against BPML. The Complainant was employed through a contractor M/s Vishnu Enterprises. A charge sheet was filed by the contractor against the Complainant for having remained absent without permission and authorization. An enquiry was conducted thereafter wherein it was concluded that the Complainant was guilty. In furtherance to the said enquiry, the contractor terminated the services of the Complainant for proved act of misconduct. Aggrieved, the Complainant filed the present complaint against BPML and the contractor. The matter is currently pending.
16. The Central Excise Department ("**Excise Department**") issued a notice number V/AD/(SCN)15(53/RII/K-I MILL/2000 NO.C.EX./R-II/SCN / BILL/2000/18) dated January 16, 2001. The Excise Department requested for a clarification regarding clearing finished goods of 3500 MT on 'Nil Duty' and 'no MODVAT credit for the period'. However, the Excise Department clarified that the goods could be cleared on payment of duty and availing the MODVAT credit facility. BPML filed a notice of appeal before the Commissioner of Central Excise who passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
17. The Central Excise Department ("**Excise Department**") issued a notice number O-I-O 51 TO 66/95 dated August 30, 1995. The Excise Department passed a show cause notice to BPML stating the taking credit on the basis of perform invoice is not allowed. BPML defended the case before the Assistance Commissioner of Central Excise who passed an order against BPML. BPML filed an appeal before the Commissioner of Central Excise who also passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. Meanwhile, the Tribunal at Delhi passed an order allowing credit to certain paper mills company. Aggrieved, BPML filed a writ petition before the High Court wherein the High Court passed an order in favour of BPML. The matter is currently pending.
18. The Central Excise Department ("**Excise Department**") issued a notice number ypp/902/m-iii/99 dated November 18, 1998. The Excise Department passed a show cause notice to BPML stating the taking credit on the basis of perform invoice is not allowed. BPML defended the case before the Assistance Commissioner of Central Excise who passed an order against BPML. The Company filed an appeal before the Commissioner of Central Excise who also passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. Meanwhile, the Tribunal at Delhi passed an order allowing credit to certain paper mills company. Aggrieved, BPML filed a writ petition no. 40/2005 before the High Court. The matter is currently pending.

19. The Central Excise Department ("**Excise Department**") issued a notice number V/ADJ(SCN) 15-25/R-I/K-III/T-I/05/30 dated May 3, 2005 O/O NO.06/CV-06/2006/TH-I F.NO.V/ADI/SCN 15-25 /R-I/K-III/TH-I/051 dated March 31, 2006. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
20. The Central Excise Department ("**Excise Department**") issued a notice number c.ex./r-i/k-iii/scn/balkrishna /2005/51 dated September 6, 2005 o/o no.31/2006-07 dated December 13, 2006. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
21. The Central Excise Department ("**Excise Department**") issued a notice. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
22. The Central Excise Department ("**Excise Department**") issued a notice number C.EX /R-I/K-III/SCN/BALKRISHNA/05/106 dated October 17, 2005 F.NO.C.EX./R-I/K-III/SCN/BALKRISHNA /2005/51 dated September 6, 2005. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
23. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/121 dated May 3, 2006. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central

Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.

24. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/04 dated April 12, 2007. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
25. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/63. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
26. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/82 dated December 8, 2007. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
27. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/1175 dated June 3, 2008. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
28. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. C.EX./R-I K-III/SCN/BALKRISHNA /2005/3981 dated December 31, 2008. BPML was charging insurance in their invoice. The Excise Department raised an objection stating

that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.

29. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADD/K-III/SCN/BALKRISHNA /50/08-09/3981 dated December 31, 2008. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
30. The Central Excise Department ("**Excise Department**") issued a notice number V/ADDI/(SCN)15-60 BALKRISHNA /K-III/TH-I/2009/2835 dated April 28, 2009. The Excise Department requested for a clarification regarding clearing finished goods of 3500 MT on 'Nil Duty' and 'no MODVAT credit for the period'. However, the Excise Department clarified that the goods could be cleared on payment of duty and availing the MODVAT credit facility. BPML filed a notice of appeal before the Commissioner of Central Excise who passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
31. The Central Excise Department ("**Excise Department**") issued a notice number V/ADDI/(SCN)15-60 BALKRISHNA /K-III/TH-I/10/1692 dated April 20, 2010. The Excise Department requested for a clarification regarding clearing finished goods of 3500 MT on 'Nil Duty' and 'no MODVAT credit for the period'. However, the Excise Department clarified that the goods could be cleared on payment of duty and availing the MODVAT credit facility. BPML filed a notice of appeal before the Commissioner of Central Excise who passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
32. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III/SCN/BALKRISHNA /10/09-10/2264 dated October 18, 2010. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.

33. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//SCN/BALKRISHNA /2011/35 dated April 7, 2011. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
34. The Central Excise Department ("**Excise Department**") issued a notice number V/ADDI/(SCN)15-60 BALKRISHNA /K-III/TH-I/2011/1188 dated April 13, 2011. The Excise Department requested for a clarification regarding clearing finished goods of 3500 MT on 'Nil Duty' and 'no MODVAT credit for the period'. However, the Excise Department clarified that the goods could be cleared on payment of duty and availing the MODVAT credit facility. BPML filed a notice of appeal before the Commissioner of Central Excise who passed an order against BPML. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
35. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//11-12/2183 dated February 21, 2012. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
36. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//SCN/BALKRISHNA 05/K-III dated February 8, 2012. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
37. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//SCN/BALKRISHNA 2013/295 dated February 22, 2013. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner

of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.

38. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//SCN/BALKRISHNA 2013/673 dated November 6, 2013. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
39. The Central Excise Department ("**Excise Department**") issued a notice number F.NO. V/ADDI/K-III//SCN/BALKRISHNA/scn/07/14-15/526 dated August 14, 2014. BPML was charging insurance in their invoice. The Excise Department raised an objection stating that the amount charged in the invoice should be included in the Ex Mills price i.e. Excise Duty should also be charged on insurance recovered from the party. The Joint Commissioner of Central Excise passed an order against BPML and the Commissioner of Central Excise sent the order for review. Aggrieved, BPML filed an appeal before the CESTAT. The matter is currently pending.
40. The Assistant Commissioner of Sales Tax issued a notice number SCN-C.EX/RI/SCN/BALKRISHNA /12-13/512 dated November 6, 2013 to BPML stating that availing service tax credit on the basis of invoice/bills raised by clearing forwarding against is not allowed because goods have been cleared at the factory gate. The matter is currently pending.
41. Kalyan Dombivli Municipal Corporation has filed a case against BPML in the Additional District Judge, Kalyan with respect to octroi matter. The matter is currently pending.

IV. Balkrishna Synthetics Limited ("BSL**")**

1. The Central Excise Department issued a show cause notice to BSL for processed fabrics shrinkage matter. BSL filed an appeal number E/40/02-MUM before CESTAT challenging the order passed by the lower tribunal. The matter is currently pending.
2. The Central Excise Department issued a show cause notice to BSL for non-payment of stenter duty as per their duty determination order 01/2000. Aggrieved by the order number 24/NRN/TH-II passed by the Commissioner, BSL filed an appeal before CESTAT. CESTAT sent the matter back to the Commissioner for re-determination of the said order. The matter is currently pending.

3. The Central Excise Department issued a show cause notice to BSL for non-payment of duty for Stenter M/C Gallary portion as per their duty determination order. Aggrieved by the order number PD/78 passed by the Commissioner, BSL filed an appeal before CESTAT. The matter is currently pending.
4. The Central Excise Department issued a show cause notice to BSL for the credit note issued to Export Job Work Fabrics customers. Aggrieved by the order number 06/RS/TH-II/2007 passed by the Commissioner, BSL filed an appeal before CESTAT. The matter is currently pending.
5. The Income Tax Department issued a notice to BSL under section 156 of the Income Tax Act, 1961 to pay an amount of Rs. 1,26,070 as per their income tax assessment order. BSL filed a rectification request under section 154 of the Income Tax Act, 1961 for rectifying their mistake in the assessment order for the said demand of amount. The matter is currently pending.
6. BSL has filed a writ petition number 4681 of 2014 before the Bombay High Court for non-payment of textile committee cess against the demand for payment of cess under the provisions of the Textile Committee Act, 1963 which amounted to Rs. 15,92,088. The matter is currently pending.

V. *Futuristic Concepts Media Ltd ("FCML")*

1. The Assessing Officer of Income Tax issued a show cause notice to FCML for the Accounting Year 2009-10. FCML had purchased material from a registered dealer with all relevant proper tax invoice. However, on verification it was found that the seller had not properly recorded the sale and hence the intimation of the amount of Rs. 87,52,068 is disallowed by the Assessing Officer.
2. FCML has filed an appeal against the order of the Excise Department. In the Accounting Year 2001-02, the Excise Department levied additional duty amounting to Rs. 12,13,686 for arriving the assessable value. FCML filed this appeal for stay and received an order granting the stay by paying 25% of the demand raised by the Excise Department. The matter is currently pending.

VI. *Sanchna Trading & Finance Ltd ("STFL")*

1. STFL filed a rectification order against the Income Tax Officer for passing the Income Tax Order for Accounting Year 2010-11. This rectification order is filed by STFL for rectification of the apparent mistake made by the Income Tax Officer in calculating education cess, MAT credit and interest levied under section 234C of the Income Tax Act, 1961. The matter is currently pending.

2. STFL filed an appeal before the Income Tax Tribunal against the Income Tax Order for Accounting Year 2006-07. The Assessing Officer had made disallowances to STFL due to which STFL had filed an appeal, which upheld the disallowances made by the Assessing Officer. Aggrieved, STFL filed the present appeal. The matter is currently pending.

Licenses and Approvals

We have obtained the following registration / licenses / approvals / permissions:

Sr. No.	License	Registration / License No.	Valid from	Validity up to
1.	IEC Code	0314085572	February 25, 2015	Valid upto cancellation
2.	Importers Exporters Memorandum	2826/SIAIIMO/2011	September 6, 2011	Valid upto cancellation
3.	Registration Cum Membership Certificate	WR/1527/2014-2015	March 2, 2015	March 31, 2016
4.	Certificate of Registration under Central Sales Tax	27101108797C	March 12, 2015	Valid upto cancellation
5.	Certificate of Registration Value Added Tax	27101108797V	March 12, 2015	Valid upto cancellation
6.	Permanent Account Number	AAECN4504D	June 29, 2013	Valid upto cancellation
7.	Central Excise Registration (Ambivali)	AAECN4504DEM001	March 2, 2015	Valid upto cancellation
8.	Service Tax (Ambivali)	AAECN4504DSD001	February 26, 2015	Valid upto cancellation
9.	Central Excise Registration (Bhivandi)	AAECN4504DEM002	February 11, 2015	Valid upto cancellation
10.	Service Tax (Bhivandi)	AAECN4504DSD002	February 26, 2015	Valid upto cancellation
11.	Service Tax (Head Office)	AAECN4504DSD003	February 25, 2015	Valid upto cancellation

Sr. No.	License	Registration / License No.	Valid from	Validity up to
12.	Tax Deduction at Source	MUMB21983D	November 12, 2014	Valid upto cancellation
13.	ESIC Registration	34-0000-6051-0000-801		Valid upto cancellation
14.	Registration of Certification (Bhiwandi)	12612401720000034156	December 17, 2012	December 17, 2013

We have applied for obtaining following registrations / licenses / approvals / permissions:

Sr. No.	License
1.	Export House
2.	Registration Certificate of Establishment
3.	Maharashtra Pollution Control Board (Ambivali)
4.	Providend Fund
5.	Export Stuffing Permission (Bhivandi)
6.	Professional Tax for Employees
7.	Professional Tax for Employer
8.	Industrial, Safety and Health (Ambivali)
9.	Registration of Certification (Ambivali)
10.	Storage (waste paper godown)
11.	Local Body Tax
12.	Maharashtra Pollution Control Board (Bhivandi)

Appendix E

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION
OF
NIRVIKARA PAPER MILLS
LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra Ordinary General meeting of the Company held on 12th February, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

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| 1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table 'F' not to apply |
| (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

Interpretation

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| 2. (1) In these Articles — | |
| (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | "Act" |
| (b) "Articles" means these articles of association of the Company or as altered from time to time. | "Articles" |
| (c) "Board of Directors" or "Board", means the collective body of the directors of the Company. | "Board of Directors" or "Board" |
| (d) "Company" means Nirvikara Paper Mills Limited. | "Company" |
| (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. | "Rules" |
| (f) "seal" means the common seal of the Company. | "Seal" |
| (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. | "Number" and "Gender" |
| (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. | Expressions in the Articles to bear the same meaning as in the Act |

Share capital and variation of rights

Shares under control of Board	3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
Directors may allot shares otherwise than for cash	4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
Kinds of Share Capital	5.	<p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <p>(i) with voting rights; and / or</p> <p>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference share capital</p>
Issue of certificate	6.	<p>(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.</p>
Certificate to bear seal	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One certificate for shares held jointly	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
Option to receive share certificate or hold shares with depository	7.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

8.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	Issue of new certificate in place of one defaced, lost or destroyed
9.	The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
10.	(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11.	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
	(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.	Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares

Further issue of share capital	14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - <ul style="list-style-type: none"> (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
Mode of further issue of shares	(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
Lien	
Company's lien on shares	15. (1) The Company shall have a first and paramount lien - <ul style="list-style-type: none"> (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>
Lien to extend to dividends, etc.	(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
Waiver of lien in case of registration	(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
As to enforcing lien by sale	16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: <p>Provided that no sale shall be made—</p> <ul style="list-style-type: none"> (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
Validity of sale	17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
Purchaser to be registered holder	(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

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| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. | Purchaser not affected |
| 18. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. | Application of proceeds of sale |
| (2) | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 19. | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |
| 20. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

Calls on shares

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| 21. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls |
| (2) | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of call |
| (3) | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. | Board may extend time for payment |
| (4) | A call may be revoked or postponed at the discretion of the Board. | Revocation or postponement of call |
| 22. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. | Call to take effect from date of resolution |
| 23. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders of shares |

When interest on call or instalment payable	24. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26.	The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
Instalments on shares to be duly paid	27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	28.	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
Partial payment not to preclude forfeiture	29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	30.	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Transfer of shares

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| 31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. | Instrument of transfer to be executed by transferor and transferee |
| (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. | |
| 32. The Board may, subject to the right of appeal conferred by the Act decline to register -
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the Company has a lien. | Board may refuse to register transfer |
| 33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -
(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c) the instrument of transfer is in respect of only one class of shares. | Board may decline to recognise instrument of transfer |
| 34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year. | Transfer of shares when suspended |
| 35. The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc. |

Transmission of shares

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| 36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. | Title to shares on death of a member |
| (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. | Estate of deceased member liable |
| 37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made. | Transmission Clause |

Board's right unaffected	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Indemnity to the Company	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	38. (1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
Manner of testifying election	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Claimant to be entitled to same advantage	39.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	40.	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Forfeiture of shares

If call or instalment not paid notice must be given	41.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
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42.	The notice aforesaid shall:	Form of notice
	(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and	
	(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
43.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
44.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46.	(a) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. (b) There shall be no forfeiture of unclaimed dividend before the claim become barred by law	Effect of forfeiture
47.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
48.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest

Cesser of liability	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	49. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
Title of purchaser and transferee of forfeited shares	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder	(3)	The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
Surrender of share certificates	52.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
Sums deemed to be calls	53.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	54.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Alteration of capital

55. Subject to the provisions of the Act, the Company may, by ordinary resolution -
- Power to alter share capital
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock:
- Shares may be converted into stock
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.
57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
- Reduction of capital
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or
 - (d) any other reserve in the nature of share capital.

Joint Holders

Joint-holders	58.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint-holders	(a)	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders	(b)	On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one sufficient	(c)	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder	(d)	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint-holders	(e)	(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
Executors or administrators as joint holders	(ii)	Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.	(f)	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.

<p>59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>	<p>Capitalisation</p>
<p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).</p> <p>(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p>	<p>Sum how applied</p>
<p>60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on such members.</p>	<p>Powers of the Board for capitalisation</p> <p>Board's power to issue fractional certificate/coupon etc.</p> <p>Agreement binding on members</p>

Buy-back of shares

Buy-back of shares	61.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
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General meetings

Extraordinary general meeting	62.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
Powers of Board to call extraordinary general meeting	63.	The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

Presence of Quorum	64.	(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
Business confined to election of Chairperson whilst chair vacant		(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
Quorum for general meeting		(3) The quorum for a general meeting shall be as provided in the Act.
Chairperson of the meetings	65.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
Directors to elect a Chairperson	66.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
Members to elect a Chairperson	67.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
Casting vote of Chairperson at general meeting	68.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
Minutes of proceedings of meetings and resolutions passed by postal ballot	69.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

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| (2) | There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - | Certain matters not to be included in Minutes |
| (a) | is, or could reasonably be regarded, as defamatory of any person; or | |
| (b) | is irrelevant or immaterial to the proceedings; or | |
| (c) | is detrimental to the interests of the Company. | |
| (3) | The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. | Discretion of Chairperson in relation to Minutes |
| (4) | The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. | Minutes to be evidence |
| 70. (1) | The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: | Inspection of minute books of general meeting |
| (a) | be kept at the registered office of the Company; and | |
| (b) | be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. | |
| (2) | Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:
Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost. | Members may obtain copy of minutes |
| 71. | The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. | Powers to arrange security at meetings |

Adjournment of meeting

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| 72. (1) | The Chairperson may, <i>suo motu</i> , adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
| (2) | No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| (3) | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| (4) | Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |

Voting rights

Entitlement to vote on show of hands and on poll	73.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares -</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
Voting through electronic means	74.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	75.	<p>(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
Seniority of names		
How members <i>non compos mentis</i> and minor may vote	76.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	77.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	78.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	79.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	80.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	81.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

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| 82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. | Member may vote in person or otherwise |
| (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. | Proxies when to be deposited |
| 83. An instrument appointing a proxy shall be in the form as prescribed in the Rules. | Form of proxy |
| 84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. | Proxy to be valid notwithstanding death of the principal |

Board of Directors

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| 85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen). | Board of Directors |
| 86. (1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. | Directors not liable to retire by rotation |
| (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. | Same individual may be Chairperson and Managing Director/ Chief Executive Officer |
| 87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. | Remuneration of directors |
| (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. | Remuneration to require members' consent |

Travelling and other expenses	(3)	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
	(a)	in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
	(b)	in connection with the business of the Company.
Execution of negotiable instruments	88.	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
Appointment of additional directors	89. (1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
Duration of office of additional director	(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
Appointment of alternate director	90. (1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
Duration of office of alternate director	(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
Re-appointment provisions applicable to Original Director	(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
Appointment of director to fill a casual vacancy	91. (1)	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
Duration of office of Director appointed to fill casual vacancy	(2)	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Powers of Board

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| 92. | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. | General powers of the Company vested in Board |
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Proceedings of the Board

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| 93. | (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. | When meeting to be convened |
| | (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. | Who may summon Board meeting |
| | (3) The quorum for a Board meeting shall be as provided in the Act. | Quorum for Board meetings |
| | (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. | Participation at Board meetings |
| 94. | (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. | Questions at Board meeting how decided |
| | (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. | Casting vote of Chairperson at Board meeting |
| 95. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. | Directors not to act when number falls below minimum |
| 96. | (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. | Who to preside at meetings of the Board |
| | (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. | Directors to elect a Chairperson |

Delegation of powers	97. (1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairperson of Committee	98. (1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99. (1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson at Committee meeting	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	100.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	101.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary
and Chief Financial Officer

102. (a) Subject to the provisions of the Act,—
A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Chief Executive Officer, etc.

Director may be chief executive officer, etc.

Registers

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

Statutory registers

Foreign register

The Seal

105. (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

The seal, its custody and use
Affixation of seal

Dividends and Reserve

Company in general meeting may declare dividends	106.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
Interim dividends	107.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
Dividends only to be paid out of profits	108.	(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	109.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
Payments in advance	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	110.	(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

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| 111. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 112. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 113. | No dividend shall bear interest against the Company. | No interest on dividends |
| 114. | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |

Accounts

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| 115. (1) | The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. | Inspection by Directors |
| (2) | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |

Winding up

Winding up of Company

116. Subject to the applicable provisions of the Act and the Rules made thereunder -
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

Directors and officers right to indemnity

117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Insurance

- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

General power

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

We, the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Sr. No.	Name, Address, Occupation & Description of Subscribers	Signature of Subscriber	Witness with address, description and occupation
1	<p>Balkrishna Industries Limited. BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.</p> <p>Signed by: Mr. Arvind Kumar M. Poddar, Chairman & Managing Director, S/o. Late Shri Mahabirprasad Poddar, 92, Mount Unique, 62 A G Deshmukh Road, Mumbai 400 026. Occupation: Industrialist (Authorised by Board Resolution dated 14.02.2013).</p>	Sd/-	<p>Vipul Shah S/o. Shri Ramanlal Shah 604, Vasant Laxmi CHS Ltd. M.G. X Road No.4 Kandivali (West) Mumbai 400 067 Service.</p>
2	<p>Mr. Arvind Kumar M. Poddar, S/o. Late Shri Mahabirprasad Poddar, 92, Mount Unique, 62 A G Deshmukh Road, Mumbai 400 026. Occupation: Industrialist (Nominee of Balkrishna Industries Limited.</p>	Sd/-	<p>Witnesses : 1 to 7</p>

Sr. No.	Name, Address, Occupation & Description of Subscribers	Signature of Subscriber	Witness with address, description and occupation
3	Mrs. Vijaylaxmi A. Poddar D/o. Shri Jaikumar Udhmiran Jain, 94, Mount Unique 62, A G Deshmukh Road, Mumbai 400 026 Occupation: Industrialist (Nominee of Balkrishna Industries Limited)	Sd/-	Vipul Shah S/o. Shri Ramanlal Shah 604, Vasant Laxmi CHS Ltd. M.G. X Road No.4 Kandivali (West) Mumbai 400 067 Service.
4	Mr. Rajiv A. Poddar, S/o. Shri Arvind Kumar Poddar. 94, Mount Unique, 62 A G Deshmukh Road, Mumbai 400 026. Occupation: Industrialist (Nominee of Balkrishna Industries Limited).	Sd/-	
5	Smt. Khushboo R. Poddar D/o Shri Manoj Modi. 94, Mount Unique, 62 A G Deshmukh Road, Mumbai 400 026. Occupation: Industrialist (Nominee of Balkrishna Industries Limited).	Sd/-	

Sr. No.	Name, Address, Occupation & Description of Subscribers	Signature of Subscriber	Witness with address, description and occupation
6	Smt. Shyamlat Poddar W/o. Late Shri Suresh Kumar Poddar. 307, 3 rd Floor, Trade World, B-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Occupation: Industrialist (Nominee of Balkrishna Industries Limited)	Sd/-	<p>Vipul Shah S/o. Shri Ramanlal Shah 604, Vasant Laxmi CHS Ltd. M.G. X Road No.4 Kandivali (West) Mumbai 400 067 Service.</p> <p>Witnesses : 1 to 7</p>
7	Shri Rishabh Poddar, S/o. Late Shri Suresh Kumar Poddar. 307, 3 rd Floor, Trade World, B-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Occupation: N.A. (Nominee of Balkrishna Industries Limited)	Sd/-	

Place : Mumbai.

Dated: 08.05.2013

Documents for Inspection

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of following documents are available at our Registered office at A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400 013, for inspection on any working day (i.e., Monday to Friday and not being a bank holiday) from 2.00 p.m. to 5.00 p.m.

- 1 Memorandum and Articles of Association of the Company along with Certificate of Incorporation issued by Registrar of Companies, A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400 013;
- 2 The Order of Hon'ble High Court of Bombay in Mumbai dated December 19, 2014 sanctioning the Composite Scheme of Amalgamation and Arrangement;
- 3 Copy of Tripartite Agreement with National Securities Depository Limited and Central Depository Services (India) Limited;
- 4 Memorandum of Understanding with the Registrar and Share Transfer Agent;
- 5 Resolution for appointment of Managing Director and Whole-time Director of the Company;
- 6 Allotment Committee Resolution dated March 31, 2015 for allotment of shares pursuant to the Composite Scheme along with Return of Allotment;
- 7 In-Principle approval from NSE *vide* their Letter dated May 28, 2015;
- 8 In-Principle approval from BSE *vide* their Letter dated May 27, 2015; and
- 9 SEBI Letter dated July 06, 2015 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of Shares of the Company.

Declaration

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

All the information contained in this document is true and correct.

**On behalf of the Board of Directors of
Nirvikara Paper Mills Limited**

Rajesh Solanki
Company Secretary & Compliance Officer
Mumbai