



Nirvikara Paper Mills Ltd.



ANNUAL REPORT
2014 - 2015



(CIN : U21098MH2013PLC244963)

BOARD OF DIRECTORS

ANURAG PODDAR (w.e.f. 11.02.2015)
(Chairman & Managing Director)

ARVIND PODDAR (upto 11.02.2015)
(Non- Executive Director)

VIJAYALAXMI PODDAR (upto 11.02.2015)
(Non- Executive Director)

RAJIV PODDAR (upto 11.02.2015)
(Non- Executive Director)

ANKIT PODDAR (w.e.f. 11.02.2015)
(Executive Director)

SACHIN NATH CHATURVEDI (w.e.f. 11.02.2015)
(Independent Director)

HARISH N. MOTIWALLA (w.e.f. 11.02.2015)
(Independent Director)

RAKESH KUMAR GARODIA (w.e.f. 11.02.2015)
(Independent Director)

MEGHNA S. SHAH (w.e.f. 11.02.2015)
(Independent Director)

SHRUTISHEEL JHANWAR (w.e.f. 11.02.2015)
(Whole-Time Director & CFO)

RAJESH A. SOLANKI (w.e.f. 11.02.2015)
(Company Secretary & Compliance Officer)

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
(Chartered Accountants)

COST AUDITORS

R. S. Raghavan
(Cost Accountant)

INTERNAL AUDITORS

Dilip A. Jain & Associates
(Chartered Accountants)

REGISTERED OFFICE

A/7, Trade World, Kamala City, Senapati Bapat Marg,
Lower Parel (w), Mumbai - 400 013.
Tel. No.: 022-61207900. Fax No.: 022-61207999

PLANTS:

Unit-1 (Paper/Paper Board & Coating Plant)
Village Ambivali P.O. Mohane, Taluka Kalyan,
Dist. Thane - 421 102
Unit-2 (Cutting & Packing Unit)
F3 & F4 Bhiwandi Nashik Road, Village Dhamangaon,
Taluka Bhiwandi, Dist. Thane

BANKERS

Standard Chartered Bank
Corporation Bank

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NOTICE

Notice is hereby given that the Second Annual General Meeting of the members of Nirvikara Paper Mills Limited will be held on Monday, 24th August, 2015 at 02.30 P.M. at 3rd floor, Sunville, 9, Dr, Annie Besant Road, Worli, Mumbai - 400 018, to transact the following business:

Ordinary Business

1. To consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Shri Shrutisheel Jhanwar (DIN: 03582803), who retires by rotation and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai (Firm Registration No. 104133W), be and are hereby appointed as Statutory Auditors of the Company for a period commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

Special Business

4. To appoint Shri Sachin Nath Chaturvedi (DIN: 00553459) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sachin Nath Chaturvedi (DIN: 00553459), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. February 11, 2015 to February 10, 2020 and whose office shall not be liable to retire by rotation."
 "RESOLVED FURTHER THAT the Board of Directors and/ or the

- Company Secretary, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."
5. To appoint Shri Harish N. Motiwalla (DIN: 00029385) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Harish N. Motiwalla (DIN: 00029385), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. February 11, 2015 to February 10, 2020 and whose office shall not be liable to retire by rotation."
 "RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."
6. To appoint Shri Rakesh Kumar Garodia (DIN: 00143438) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rakesh Kumar Garodia (DIN: 00143438), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. February 11, 2015 to February 10, 2020 and whose office shall not be liable to retire by rotation."
 "RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. To appoint Smt. Meghna S. Shah (DIN: 07081068) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Meghna S. Shah (DIN: 07081068), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. February 11, 2015 to February 10, 2020 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Shri R Srinivasa Raghavan, Cost Accountants having Registration No. 100098 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to Rs. 75,000 (Rupees Seventy Five thousand Only) plus service tax as applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 73,76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/accept/renew/receive money by way of unsecured /secured deposits, or in any other form, from public and/or members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, upto permissible limits prescribed under applicable provisions of law and on such terms and conditions

as the Board of Directors of the Company, in its sole discretion, deem fit and necessary."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and/or any Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as the Board of Directors and/or any Committee thereof may, in its absolute discretion, consent, deem necessary, proper, expedient, desirable or appropriate for such invitation/ acceptance/renewal/receipt as aforesaid.

By Order of the Board of Directors

Sd/-

Rajesh A Solanki

Company Secretary & Compliance Officer

(Membership No.A35937)

Date : 8th June, 2015

Registered Office:

A/7, Trade World, Kamala City, Senapati Bapat Marg,

Lower Parel (West), Mumbai - 400 013

CIN: U21098MH2013PLC244963

Notes:

- a. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of special business are annexed hereto.
- b. A statement giving the relevant details of the Directors seeking appointment/re-appointment under Item Nos. 2, 4, 5, 6 and 7 of the accompanying Notice, is annexed herewith.
- c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- d. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
- e. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- f. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.
- g. Members are requested to write to the company their queries, if any, at least 10 days before the meeting to enable the management to keep the required information available.
- h. In case of joint holders attending the Meeting, only such joint

- holder who is higher in the order of names will be entitled to vote at the Meeting.
- i. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
 - j. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th August, 2015 to 24th August, 2015, both days inclusive, for determining the names of members eligible for the purpose of the AGM.
 - k. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
 - l. There is no unclaimed dividend accounts lying with the Company which needs to be transfer to Investor Education and Protection Fund (IEPF), under Section 205A(5) and 205C of the Companies Act, 1956.

PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING

For Members whose e-mail addresses are registered with the Company/Depositories:

- i. You will receive an e-mail from NSDL. Open the email containing the PDF file namely "NPML E-Voting.Pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on Shareholder - Login
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as aforesaid.
- vi. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 characters which must contain at least one number and one special character e.g. @, #, \$. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click one-voting>Active e-Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Nirvikara Paper Mills Limited which is 102237. Now you are ready for e-voting as the "Cast Vote" page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed on your screen.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional Members (i.e. other than Individuals, HUF, NRI

- etc.) are requested to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to naithanipcs@gmail.com, with a copy marked to evoting@nsdl.co.in.
- xiii. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders, available at the downloads section of www.evoting.nsdl.com.

Other Instructions:

- i. The e-voting period commences on Thursday, 20th August, 2015 (9.00 a.m. IST) and ends on Sunday, 23rd August, 2015 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form as of cutoff date on Monday, 17th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to alter it subsequently.
- ii. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as of cutoff date on Monday, 17th August, 2015 and as per the Register of Members of the Company.
- iii. Shri Prasen Naithani, Practising Company Secretary (Membership No. FCS 3830) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.npml.in and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the Resolutions at the 2nd AGM of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 4 to 7

In view of proposed Listing and pursuant to the provisions of section 149 of the Act, The company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. However in terms with Clause 49 of the Listing Agreement, as the Company has an Executive Chairman, at least half of the Board should comprise independent directors. Further the said section as well as clause 49 of the listing agreement have stipulated the criteria for determining the independence of director.

Shri Sachin Nath Chaturvedi, Shri Harish N. Motiwala, Shri Rakesh

Kumar Garodia and Smt. Meghna S. Shah non executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from members along with a deposit of Rs. 1 Lac each proposing their candidature for the office of Director of the Company.

The Board of Directors at their meeting held on February 11, 2015 have appointed these directors as Independent/ Additional Directors of the Company for a term of 5 (five) consecutive years w.e.f. February 11, 2015 to February 10, 2020.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for approval.

A brief profile of the Independent Directors to be appointed is given below:

Shri Sachin Nath Chaturvedi 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.

Shri Harish N. Motiwalla 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 is B.Com by qualification. He is having more than 31 years of experience in the field of corporate affairs and Financial Accounting.

Smt. Meghna S. Shah 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.

Shri Sachin Nath Chaturvedi, Shri Harish N. Motiwalla, Shri Rakesh Kumar Garodia and Smt. Meghna S. Shah are concerned or interested in the respective resolutions of the accompanying Notice for their appointment save and except the above, none of the other

Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolutions at items nos. 4 to 7 of the accompanying Notice.

The Board recommends the resolutions set forth in item nos. 4 to 7 for approval of the members.

Item 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 on remuneration of Rs. 75,000 (Rupees Seventy Five Thousand only) plus service tax as applicable and re-imbusement of out of pocket expenses incurred by them.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item 9

The members are hereby apprised that, with the commencement of Companies Act, 2013 deposits are now governed by the provisions of Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of deposits) Rules, 2014 and approval of shareholders is therefore required for inviting/ accepting/ renewing deposits. Under Rule 3(4) of the Companies (Acceptance of Deposits) Rules, 2014, an eligible Company shall accept or renew any deposits (a) From its members not exceeding 10% of the aggregate of the paid up share capital and free reserves of the Company (b) Any other deposits not exceeding 25% of the aggregate of the paid up share capital and free reserves of the Company.

The members may kindly note that under the provisions of the Companies Act, 2013, any Company inviting/ accepting/ renewing deposits is required to obtain credit rating from a recognized credit rating agency and deposit insurance towards deposits as may be accepted by it.

The Company upon obtaining approval of the shareholders will proceed to comply with the requirements stipulated under Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, before inviting / accepting / renewing deposits.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution except to the extent of their deposit holding and / or their shareholding in the Company, if any.

The Board commends the Special Resolution set out at item No.9 of the Notice for approval by the shareholders.

Annexure to Notice

| Name of the Director and number of shares held in the Company | Date of Birth | Date of Appointment on the Board | Qualifications | Expertise in specific functional area | List of other Companies (excluding Private Companies) in which directorship and committee membership, if any. |
|------------------------------------------------------------------------|---------------|----------------------------------|----------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shri Shrutisheel Jhanwar (DIN : 03582803) (Shares held : 25) | 26.12.1974 | 11.02.2015 | B.Com, C.A | Finance, Accounting and Business Administration | Directorship - Nil Chairperson of Board Committee-None Member of Committee - None |
| Shri Sachin Nath Chaturvedi (DIN : 00553459) (Shares held : NIL) | 30.09.1950 | 11.02.2015 | B. Tech, F.C.A M.B.A, D.I.S.A | Business Administration, Audit, Finance, | <u>Directorship</u> - 1. N R Agarwal Industries Limited 2. Balkrishna Industries Limited 3. Jai Corp Limited 4. Jai Realty Ventures Limited <u>Chairperson of Board Committee</u> - Balkrishna Industries Limited Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee Jai Realty Ventures Limited Audit Committee <u>Member of Committee</u> - Jai Coro Limited Audit Committee Stakeholders Relationship Committee NR Agarwal Industries Limited Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee Jai Realty Ventures Limited Audit Committee Nomination & Remuneration Committee |
| Shri Harish N. Motiwalla (DIN : 00029835) (Shares held : NIL) | 24.03.1945 | 11.02.2015 | B. Com., LLB, FCA. | Accounts, Audit, Company Law, Finance and Taxation | <u>Directorship</u> - 1. Siyaram Silk Mills Limited 2. Excel Industries Limited 3. Hitech Plast Limited 4. Multibase India Limited 5. Balkrishna Synthetics Ltd 6. Ashapura Mine chem. Ltd 7. Gujarat Organics Limited <u>Chairperson of Board Committee</u> - Excel Industries Ltd. Audit Committee Nomination & Remuneration Committee Multibase India Ltd. Audit Committee Siyaram Silk Mills Limited Audit Committee Nomination & Remuneration Committee <u>Member of Committee</u> - Excel Industries Ltd. Investment Committee Hi-Tech Plast Ltd Audit Committee Nomination & Remuneration Committee Balkrishna Synthetics Ltd Nomination & Remuneration Committee |
| Shri Rakesh Kumar Garodia (DIN : 00143438) (Shares held : NIL) | 15.09.1963 | 11.02.2015 | B.Com | Corporate affairs and Financial Accounting | <u>Directorship</u> - 1. Penguin Electronics Ltd 2. Swasti Vinayaka Synthetics Limited Chairperson of Board Committee-None Member of Committee - None |
| Smt. Meghna S. Shah (DIN : 07081068) (Shares held : NIL) | 14.06.1978 | 11.02.2015 | B.Com, C.A | Accounting and Finance | Directorship - Nil Chairperson of Board Committee-None Member of Committee - None |

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their Second Annual Report and the Audited Accounts for the financial year ended March 31, 2015.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY (STANDALONE)

FINANCIAL RESULTS: (Rs. in Crores)

| Particulars | Current Year ended 31.03.15 | Previous Year ended 31.03.14* |
|-----------------------------------------------|-----------------------------|-------------------------------|
| Gross Turnover and Other Income | 21.09 | - |
| Less: Excise Duty Recovered on Sales | 1.31 | - |
| Net Turnover and Other Income | 19.78 | - |
| Gross Profit/(Loss) | (2.50) | (0.003) |
| Less: Depreciation and Amortisation | 0.54 | - |
| Profit/(loss) before Tax | (3.04) | (0.003) |
| Less: Provision for Taxation | | |
| Current Tax (MAT) | - | - |
| Deferred Tax (Net) | 0.06 | - |
| Profit / (Loss) after Tax | (3.10) | (0.003) |
| Balance brought forward from last year | (0.003) | - |
| PROFIT AVAILABLE FOR APPROPRIATIONS : | (3.10) | (0.003) |
| APPROPRIATIONS: | | |
| Proposed Dividend (including Tax on Dividend) | 0.00 | 0.00 |
| Balance Carried Forward to Balance Sheet | (3.10) | (0.003) |

* During Financial Year 2013-14 there was no Business activity in the company

b. OPERATIONS:

In terms with the approval of scheme of Arrangement between Balkrishna Paper Mills Limited ("BPML"), Balkrishna Industries Limited ("BIL") and Nirvikara Paper Mills Limited ("NPML") by Bombay High Court on 19.12.2014 and effective from 10.02.2015, business of Paper Board manufacturing transferred to the Company.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, Balkrishna Synthetics Limited ("BSL") was transferred as wholly own subsidiary by way of scheme of Arrangement to the Company.

The performance and financial position of BSL for the year ended 31st March 2015 is attached and marked as Annexure I and forms part of this Report.

d. DIVIDEND

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

e. TRANSFER TO RESERVES:

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

f. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

g. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

h. BRIEF DESCRIPTION OF THE COMPANY WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

The Company is engaged in manufacturing of "Coated Duplex Boards". The end uses of the products of the Company, after the same is printed/converted by independent converters, are highly diversified and some typical applications are in Pharmaceuticals, Toiletries, Cosmetics and Health Care products, readymade Garments, Instant Food Products, Match Boxes, FMCG Segments, Agarbatty segments, Cigarette packing, wedding cards, besides many other packaging requirements. The applications of the Coated Boards are well diversified and ever expanding. This segment of the industry has witnessed a healthy growth over the past decade and is expected to continue to grow annually at a rate approximately 9%.

The production for the year under review was 6539 MT and the Sales and Other related income including interest for the year under review was at Rs. 19.78 Crores. The Gross Loss for the year is Rs. 3.04 Crores and the Loss after tax is at Rs. 3.10 Crores.

i. TRANSFER OF BUSINESS :

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

j. INTERNAL CONTROL SYSTEM

Your company has adequate system of internal control to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorised, correctly recorded and properly reported.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

k. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

Except order of Bombay High Court on scheme of Arrangement, no orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

I. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All related party transactions are at arm's length basis.

The details of transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the Companies Act, 2013, during the financial year under review, are furnished in notes to accounts.

m. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the year under review, there are no loans, guarantees, investments and securities provided by the Company.

n. SHARE WITH DIFFERENTIAL RIGHTS :

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

o. SWEAT EQUITY SHARES :

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

p. EMPLOYEES STOCK OPTION SCHEME :

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

q. INDUSTRIAL RELATIONS :

Industrial Relations with staff and workmen during the year under review continued to be cordial.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Following are change in Directorship and Key Managerial Personnel of the Company during the year under review.

Shri Anurag Poddar (DIN: 00599143) was appointed as Chairman & Managing Director of the Company with effect from February 11, 2015, by Special Resolution.

Shri Ankit Poddar (DIN: 03521731) was appointed as Executive Director of the Company with effect from February 11, 2015, by Special Resolution.

Shri Shrutisheel Jhanwar (DIN: 03582803) was appointed as Whole-time Director of the Company with effect from February 11, 2015, by Special Resolution.

Shri Sachin Nath Chaturvedi (DIN: 00553459) was appointment as an Additional/Independent Director of the Company with effect from February 11, 2015 to hold office till ensuing Annual General Meeting. The term of appointment is for five years and he is not liable to retire by rotation.

Shri Harish N. Motiwalla (DIN: 00029835) was appointment as

an Additional/Independent Director of the Company with effect from February 11, 2015 to hold office till ensuing Annual General Meeting. The term of appointment is for five years and he is not liable to retire by rotation.

Shri Rakesh Kumar Garodia (DIN: 00143438) was appointment as an Additional/Independent Director of the Company with effect from February 11, 2015 to hold office till ensuing Annual General Meeting. The term of appointment is for five years and he is not liable to retire by rotation.

Smt. Meghna S. Shah (DIN: 07081068) was appointment as an Additional/Independent Director of the Company with effect from February 11, 2015 to hold office till ensuing Annual General Meeting. The term of appointment is for five years and she is not liable to retire by rotation.

Shri Shrutisheel Jhanwar (DIN: 03582803) retired by rotation an offer himself for re-appointment.

Your Directors have pleasure in recommending their appointment.

Shri Arvind Kumar Poddar (DIN: 00089984) resigned as Director of the Company effective February 11, 2015.

Smt. Vijayalaxmi Poddar (DIN: 00160484) resigned as Director of the Company effective February 11, 2015.

Shri Rajiv Arvind Poddar (DIN:00160758) resigned as Director of the Company effective February 11, 2015.

The Board places on record its sincere appreciation for the valuable support rendered by them during their tenure.

Following are the change in Key Managerial Personnel of the Company during the year under review.

Shri Rajesh A. Solanki was appointed as Company Secretary & Compliance officer and Key Managerial personnel w.e.f. February 11, 2015

Shri Shrutisheel Jhanwar appointed as Chief Financial Officer and Key Managerial personnel w.e.f. February 11, 2015

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations form all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met 5 times during the year on the following dates in accordance with the provisions of the Companies Act, 2013 and rules made thereunder viz M a y 8 , 2014, August 2, 2014, November 13, 2014, December 12, 2014 and February 11, 2015.

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(3)(c) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2015, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the loss of the Company for that year;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down by Directors, which are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. NOMINATION AND REMUNERATION COMMITTEE:

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition:

The Committee comprises of 3 Independent Directors.

The composition of the Nomination and Remuneration Committee, category of members, their attendance at the Committee Meetings held during the year under review is given in the table below:

| Sr. No. | Name of the Director | Category | Number of Meetings * | |
|---------|----------------------------------------|----------------------|----------------------|----------|
| | | | Held | Attended |
| 1 | Shri Sachin Nath Chaturvedi (Chairman) | Independent Director | 1 | 0 |
| 2 | Shri Harish N. Motiwala | Independent Director | 1 | 1 |
| 3 | Shri Rakesh Kumar Garodia | Independent Director | 1 | 1 |

* During the year 1 meeting held on February 11, 2015.

Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees as enumerated below:

Remuneration of Non Executive Directors : The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission, if any, after approval of the members.

Remuneration of Chairman /Managing Director / Whole Time Directors.

1. At the time of appointment or re-appointment of the Managing Director & CEO/ Whole Time Directors, such remuneration shall be paid as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Chairman / Managing Director / Whole Time Directors within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting
3. The remuneration of the Managing Director & CEO/ Whole Time Directors is broadly divided into Salary, Allowances, perquisites, amenities, retirement benefits and commission (subject to availability of profits).
4. In determining the remuneration the Nomination and Remuneration Committee shall ensure / consider the following:-
 - a. The relationship of remuneration and performance benchmark is clear.
 - b. Responsibility required to be shouldered by the Chairman/Managing Director/ Whole Time Directors, the industry benchmarks and the current trends.
 - c. the company's performance vis-a-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

Remuneration of Senior Management Employees:

1. In determining the remuneration of the Senior Management employees i.e. KMPs, the Nomination and Remuneration Committee shall ensure / consider the following:
 - a. The relationship of remuneration and performance benchmark is clear.
 - b. The remuneration including annual increment is decided based on the criticality of the roles and responsibilities the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs/ KPIs industry benchmark and current compensation trends in the market.

d. AUDIT COMMITTEE:

The composition, role, terms of reference as well as powers of Audit Committee of the Company meet the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition:

The Committee comprises 3 Independent Directors and 1 Whole time Director.

The composition of the Audit Committee, category of members, their attendance at the Committee Meetings held during the year under review is given in the table below:

| Sr. No. | Name of the Director | Category | Number of Meetings * | |
|---------|----------------------------------------|----------------------|----------------------|----------|
| | | | Held | Attended |
| 1 | Shri Sachin Nath Chaturvedi (Chairman) | Independent Director | 0 | 0 |
| 2 | Shri Harish N. Motiwalla | Independent Director | 0 | 0 |
| 3 | Shri Rakesh Kumar Garodia | Independent Director | 0 | 0 |
| 4 | Shri Shrutisheel Jhanwar | Whole-time Director | 0 | 0 |

* Committee was formed on 11.02.2015. No meeting held during 2014-15.

Shri Rajesh A Solanki, Company Secretary is the Secretary acts as of the Audit Committee.

e. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Whistle Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

The Policy is uploaded on the company's website at www.npml.in

f. RISK MANAGEMENT FRAMEWORK:

The Board of Directors of the Company has Risk Management Framework to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions.

g. PARTICULARS OF EMPLOYEES :

The information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request in terms of section 136 of the Act, the Report is being sent to all the shareholders of the Company and other entitled thereto, excluding the information particulars of which is available for inspection by the Members at the Corporate office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. Members interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

h. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

None of the managerial personnel i.e. Managing Director and

Whole time Directors of the Company are in receipt of remuneration/commission from the Holding or Subsidiary Company of the Company.

4. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Further, there were no adverse remarks or qualifications of reservations in the audit report submitted by auditors.

b. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors have appointed Shri R Srinivasa Raghavan, Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16.

The remuneration to be paid to Cost auditors require ratification by the shareholders and accordingly necessary resolution for ratification for seeking approval of members is included in Notice of ensuing AGM.

5. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2015 made under the provisions of Section 92(3) of the Act is attached as Annexure II which forms part of this Report.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure - III which forms part of this Report.

6. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 8th June, 2015

Anurag Poddar

Chairman & Managing Director

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

(Amt. in Rs.)

| | | |
|----|------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1 | Name of the subsidiary/Joint Venture/Associate Companies | Balkrishna Synthetics Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st March, 2015 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries. | N.A |
| 4 | Share capital | Rs. 1,00,00,000 |
| 5 | Reserves and Surplus | Rs. 9,21,55,410 |
| 6 | Total Assets | Rs. 40,70,84,134 |
| 7 | Total Liabilities | Rs. 30,49,28,724 |
| 8 | Investments | Rs. 55,65,700 |
| 9 | Turnover | Rs. 60,07,36,778 |
| 10 | Profit before taxation | Rs. 2,96,36,580 |
| 11 | Provision for taxation | Rs. 40,44,289 |
| 12 | Profit after taxation | Rs. 2,55,92,291 |
| 13 | Proposed Dividend | Nil |
| 14 | % of shareholding | 100% |

Form No. MGT-9

ANNEXURE - II

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN : U21098MH2013PLC244963
 Registration Date : 29.06.2013
 Name of the Company : Nirvikara Paper Mills Limited
 Category / Sub-Category of the Company : Company having Shares/ Indian Non-government Company
 Address of the Registered office and contact details : A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013
 Tel. No. 022-61207900 Fax No. 022-61207999
 Whether listed company : No
 Name, Address and Contact details of Registrar and Transfer Agent, if any: : Sharepro Services (India) Pvt. Ltd
 13AB, Samhita Warehousing Complex 2nd Floor, Sakinaka Tel. Exchange lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.
 Tel.: 022 -67720360 Fax: 022 -28591568

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|---------|------------------------------------------------|---------------------------------|------------------------------------|
| 1 | Manufacturing of Paper and Paper Board | 17016 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN / GLN | Holding / subsidiary / associate | % of shares held | Applicable section |
|---------|---------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 1 | Balkrishna Synthetics Limited | U17299MH2007PLC168720 | Subsidiary | 100% | 2(87)(ii) |

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|----------------------------------------------------|-------------------------------------------------|----------|--------------|------------|-------------------------------------------|----------|--------------|------------|--------------------------|
| | Demat | Physical | Total Shares | % of Total | Demat | Physical | Total Shares | % of Total | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | 6260849 | - | 6260849 | 58.30 | 58.30 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | 50,000 | 50,000 | 100 | 26 | - | 26 | - | (100) |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1): | - | 50,000 | 50,000 | 100 | 6260875 | - | 6260875 | 58.30 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2): | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | - | - | - | - | 6260875 | - | 6260875 | 58.30 | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | 1712134 | - | 1712134 | 15.94 | 15.94 |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | 1519539 | - | 1519539 | 14.15 | 14.15 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1): | - | - | - | - | 3231673 | - | 3231673 | 30.09 | - |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|----------------------------------------------------------------------------------|-------------------------------------------------|----------|--------------|------------|-------------------------------------------|----------|--------------|------------|--------------------------|
| | Demat | Physical | Total Shares | % of Total | Demat | Physical | Total Shares | % of Total | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | 204276 | 166 | 204442 | 1.90 | 1.90 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | 632710 | 142326 | 775036 | 7.22 | 7.22 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | 175713 | 45065 | 220778 | 2.05 | 2.05 |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non-Resident Individual | - | - | - | - | 43525 | - | 43525 | 0.41 | 0.41 |
| Foreign National | - | - | - | - | 111 | - | 111 | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Bodies | - | - | - | - | - | - | - | - | - |
| Trust | - | - | - | - | 3404 | - | 3404 | 0.03 | 0.03 |
| Clearing Member | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(2): | - | - | - | - | 1059739 | 187557 | 1247296 | 11.61 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | 4291412 | 187557 | 4478969 | 41.70 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 50000 | - | 50000 | 100.00 | 10552287 | 187557 | 10739844 | 100.00 | - |

ii. SHAREHOLDING OF PROMOTERS:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---------|--------------------------------------------|-------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1. | Vijaylaxmi Arvindkumar Poddar | - | - | - | 169877 | 1.58 | - | 100 |
| 2. | Rajiv A Poddar | - | - | - | 100722 | 0.94 | - | 100 |
| 3. | Rajiv Arvind Kumar Poddar | - | - | - | 18143 | 0.17 | - | 100 |
| 4. | Arvindkumar Mahabirprasad Poddar | - | - | - | 55 | 0.00 | - | 100 |
| 5. | Rameshkumar Dharaprasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 6. | AKP Enterprises LLP | - | - | - | 2666493 | 24.83 | - | 100 |
| 7. | RAP Enterprises LLP | - | - | - | 2663110 | 24.80 | - | 100 |
| 8. | Khushboo Rajiv Poddar | - | - | - | 421833 | 3.93 | - | 100 |
| 9. | Rishabh Sureshkumar Poddar | - | - | - | 79879 | 0.74 | - | 100 |
| 10. | Shyam lata Sureshkumar Poddar | - | - | - | 64519 | 0.60 | - | 100 |
| 11. | TMP Enterprises LLP | - | - | - | 38902 | 0.36 | - | 100 |
| 12. | GPP Enterprises LLP | - | - | - | 37011 | 0.34 | - | 100 |
| 13. | VKP Enterprises LLP | - | - | - | 13 | 0.00 | - | 100 |
| 14. | PKP Enterprises LLP | - | - | - | 13 | 0.00 | - | 100 |
| 15. | HSP Enterprises LLP | - | - | - | 13 | 0.00 | - | 100 |
| 16. | DPP Enterprises LLP | - | - | - | 13 | 0.00 | - | 100 |
| 17. | Pawankumar Dharaprasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 18. | Ashadevi Rameshkumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 19. | Avnish Pawankumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 20. | Dharaprasad Ramrikhdas Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 21. | Madhudevi Pawankumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 22. | Vibhadevi Shrikishan Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 23. | Shrikishan Dharaprasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 24. | Sangeeta Pramodkumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 25. | Harshit Shrikishan Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 26. | Ankit Pramodkumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 27. | Anurag Pramodkumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 28. | Geetadevi Dharaprasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 29. | Gaurav Pramod Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 30. | Abhishek S Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 31. | Gaurav Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 32. | Dhara Prasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 33. | Dhara Prasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 34. | Dhara Prasad Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 35. | Ramesh Kumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 36. | Ramesh Kumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 37. | Pawan Kumar Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 38. | Shrikishan Poddar | - | - | - | 11 | 0.00 | - | 100 |
| 39. | Balgopal Holding & Traders Ltd | - | - | - | 5 | 0.00 | - | 100 |
| 40. | Poddar Brothers Investment Private Limited | - | - | - | 5 | 0.00 | - | 100 |
| 41. | SP Finance And Trading Ltd | - | - | - | 5 | 0.00 | - | 100 |
| 42. | Vishal Furnishings Ltd | - | - | - | 5 | 0.00 | - | 100 |
| 43. | Sanchna Trading & Fin. Ltd. | - | - | - | 3 | 0.00 | - | 100 |
| 44. | SP Investrade (India) Limited | - | - | - | 3 | 0.00 | - | 100 |
| 45. | Balkrishna Industries Ltd | 50,000 | 100 | - | - | 0.00 | - | (100) |
| | Total | 50,000 | 100 | - | 6260875 | 58.29 | - | - |

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Vijaylaxmi Arvindkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 169877 169877 | - 1.58 1.58 | 169877 | 1.58 |
| 2 | Rajiv A Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 100722 100722 | - 0.94 0.94 | 100722 | 0.94 |
| 3 | Rajiv Arvind Kumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 18143 18143 | - 0.17 0.17 | 18143 | 0.17 |
| 4 | Arvindkumar Mahabirprasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 55 55 | - 0.00 0.00 | 55 | 0.00 |
| 5 | Rameshkumar Dharaprasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 6 | AKP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 2666493 2666493 | - 24.83 24.83 | 2666493 | 24.83 |
| 7 | RAP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 2663110 2663110 | - 24.80 24.80 | 2663110 | 24.80 |
| 8 | Khushboo Rajiv Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 421833 421833 | - 3.93 3.93 | 421833 | 3.93 |
| 9 | Rishabh Sureshkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 79879 79879 | - 0.74 0.74 | 79879 | 0.74 |
| 10 | Shyamalata Sureshkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 64519 64519 | - 0.60 0.60 | 64519 | 0.60 |
| 11 | TMP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 38902 38902 | - 0.36 0.36 | 38902 | 0.36 |
| 12 | GPP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 37011 37011 | - 0.34 0.34 | 37011 | 0.34 |
| 13 | VKP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 13 13 | - 0.00 0.00 | 13 | 0.00 |
| 14 | PKP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 13 13 | - 0.00 0.00 | 13 | 0.00 |

| | | | | | |
|----|-----------------------------------------------------------------------------------------------------------------|---------------|-------------------|----|------|
| 15 | HSP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 13 13 | - 0.00 0.00 | 13 | 0.00 |
| 16 | DPP Enterprises LLP At the beginning of the year 31.03.2015 Allotment At the End of the year | - 13 13 | - 0.00 0.00 | 13 | 0.00 |
| 17 | Pawankumar Dharaprasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 18 | Ashadevi Rameshkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 19 | Avnish Pawankumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 20 | Dharaprasad Ramrikhdas Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 21 | Madhudevi Pawankumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 22 | Vibhadevi Shrikishan Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 23 | Shrikishan Dharaprasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 24 | Sangeeta Pramodkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 25 | Harshit Shrikishan Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 26 | Ankit Pramodkumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 27 | Anurag Pawankumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 28 | Geetadevi Dharaprasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 29 | Gaurav Pramod Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |

| | | | | | |
|----|------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|----|------|
| 30 | Abhishek S Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 31 | Gaurav Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 32 | Dhara Prasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 33 | Dhara Prasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 34 | Dhara Prasad Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 35 | Ramesh Kumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 36 | Ramesh Kumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 37 | Pawan Kumar Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 38 | Shrikishan Poddar At the beginning of the year 31.03.2015 Allotment At the End of the year | - 11 11 | - 0.00 0.00 | 11 | 0.00 |
| 39 | Balgopal Holding & Traders Ltd At the beginning of the year 31.03.2015 Allotment At the End of the year | - 5 5 | - 0.00 0.00 | 5 | 0.00 |
| 40 | Poddar Brothers Investment Private Limited At the beginning of the year 31.03.2015 Allotment At the End of the year | - 5 5 | - 0.00 0.00 | 5 | 0.00 |
| 41 | S P Finance And Trading Ltd At the beginning of the year 31.03.2015 Allotment At the End of the year | - 5 5 | - 0.00 0.00 | 5 | 0.00 |
| 42 | Vishal Furnishings Ltd At the beginning of the year 31.03.2015 Allotment At the End of the year | - 5 5 | - 0.00 0.00 | 5 | 0.00 |
| 43 | Sanchna Trading & Fin. Ltd. At the beginning of the year 31.03.2015 Allotment At the End of the year | - 3 3 | - 0.00 0.00 | 3 | 0.00 |
| 44 | S P Investrade (India) Limited At the beginning of the year 31.03.2015 Allotment At the End of the year | - 3 3 | - 0.00 0.00 | 3 | 0.00 |

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| Sr. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | HDFC Trustee Company Limited-HDFC Equity Fund | - | - | 459807 | 4.28% |
| 2. | HDFC Trustee Company Ltd - A/c HDFC MID - Capopportunities Fund | - | - | 268965 | 2.50% |
| 3. | ICICI Prudential Value Discovery Fund | - | - | 199205 | 1.85% |
| 4. | Amansa Holdings Private Limited | - | - | 194444 | 1.81% |
| 5. | Franklin Templeton Investment Funds | - | - | 176246 | 1.64% |
| 6. | Credit Suisse (Singapore) Limited | - | - | 134618 | 1.25% |
| 7. | Lata Bhanshali | - | - | 133380 | 1.24% |
| 8. | Government Pension Fund Global | - | - | 111200 | 1.04% |
| 9. | Franklin Templeton Mutual Fund A/c Franklin India Prima Plus | - | - | 87777 | 0.82% |
| 10. | Genesis Asset Managers, LLP A/c Smaller Companies Portfolio of the Genesis Emerging Markets Opportunities Fund Limited | - | - | 82073 | 0.76% |

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-----------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | Anurag Poddar | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | 11 | 0.00 | 11 | 0.00 |
| | At the End of the year | 11 | 0.00 | | |
| 2 | Ankit Poddar | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | 11 | 0.00 | 11 | 0.00 |
| | At the End of the year | 11 | 0.00 | | |
| 3 | Shrutisheel Jhanwar | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | 25 | 0.00 | 25 | 0.00 |
| | At the End of the year | 25 | 0.00 | | |
| 4 | Harish N. Motiwalla | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | - | - | - | - |
| | At the End of the year | - | - | | |
| 5 | Sachin Nath Chaturvedi | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | - | - | - | - |
| | At the End of the year | - | - | | |
| 6 | Rakesh Kumar Garodia | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | - | - | - | - |
| | At the End of the year | - | - | | |
| 7 | Meghna S. Shah | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | - | - | - | - |
| | At the End of the year | - | - | | |
| 8 | Rajesh A. Solanki | - | - | - | - |
| | At the beginning of the year | - | - | - | - |
| | 31.03.2015 Allotment | - | - | - | - |
| | At the End of the year | - | - | | |

V INDEBTEDNESS:

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

(Rs. in Crores)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-----------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 60.06 | 9.98 | - | 70.04 |
| • Reduction | - | - | - | - |
| • Net Change | 60.06 | 9.98 | - | 70.04 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 60.06 | 9.98 | - | 70.04 |
| ii) Interest due but not paid | - | 0.19 | - | 0.19 |
| iii) Interest accrued but not due | 0.15 | - | - | 0.15 |
| Total (i+ii+iii) | 60.21 | 10.17 | - | 70.38 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in `)

| Sr. | Particulars of Remuneration | Name of MD/ WTD/ Manager | | | Total Amount in ` |
|-----|-------------------------------------------------------------------------------------|--------------------------|------------------|-------------------------|-------------------------|
| | | Anurag Poddar # | Ankit Poddar# | Shrutisheel Jhanwar# | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 582667.00 | 591421.00 | 603115.00 | 1777203.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 3945.00 | 3945.00 | 3945.00 | 11835.00 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (A) | 586612.00 | 595366.00 | 607060.00 | 1789038.00 |
| | Ceiling as per the Act | 42,00,000 p.a | 42,00,000 p.a | 42,00,000 p.a | |

Remuneration is for part of the year

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in `)

| Sr. | Particulars of Remuneration | Name of Directors | | | | Total Amount in ` |
|-----|-----------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|----------------------|----------------------|-------------------|
| | | Harish N. Motiwalla | Sachin Nath Chaturvedi | Rakesh Garodia | Meghna Shah | |
| 1. | Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify | 7500.00 | - | 7500.00 | 5000.00 | 20000.00 |
| | Total (1) | 7500.00 | - | 7500.00 | 5000.00 | 20000.00 |
| 2. | Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | 7500.00 | - | 7500.00 | 5000.00 | 20000.00 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | 1,00,000 per meeting | 1,00,000 per meeting | 1,00,000 per meeting | 1,00,000 per meeting | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in `)

| Sr. | Particulars of Remuneration | Key Managerial Personnel | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|-------------------|
| | | CFO* | Company Secretary | Total Amount in ` |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | 58298# | 58298# |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total | - | 58298# | 58298# |

*please refer to the Remuneration of Shri Shrutisheel Jhanwar who is acting as CFO without any additional remuneration which he is receiving in capacity of whole time director.

Remuneration is for part of the year

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD /NCLT/ COURT] | Appeal made, if any (give Details) |
|----------------------------------------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|-----------------------------|------------------------------------|
| A. COMPANY Penalty Punishment Compounding | | | | | |
| B. DIRECTORS Penalty Punishment Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | | | | | |

NIL

Particulars of conservation of Energy, Technology absorption and foreign exchange earnings and outgo required under the Companies (Accounts) Rules, 2014 :

A. CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken by the Company;

(i) Electrical Energy:

The Company is regularly monitoring the overall consumption of energy periodically during the year and losses if any are identified and suitable improvement action carried out immediately.

(ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

(b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy;

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

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

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder:

FORM 'A'

| POWER AND FUEL CONSUMPTION: | | Current Year | Previous Year* |
|-----------------------------|------------------------------------------------------------|--------------|----------------|
| 1 | Electricity | | |
| | Purchased | | |
| | Units (KWH) | 633784 | - |
| | Total amount (Rs. in lacs) | 63.66 | - |
| | Rate/Unit (Rs.) | 10.04 | - |
| 2 | Coal | | |
| | The Company uses Steam Coal grade B/C in its Boilers | | |
| | Quantity (Tons) | 4526 | - |
| | Total Amount (Rs. in lacs) | 261.30 | - |
| | Average rate (Rs./Ton) | 5773 | - |
| 3 | H.S.D/L.D.O./Furnace Oil | | |
| | Quantity (K.Ltrs) | 0 | - |
| | Total Amount (Rs. in lacs) | | |
| | Average rate (Rs./KL) (Net of Modvat, Wherever applicable) | | |

* There was no production.

Consumption per unit of production:

| Electricity (KWH) | Coal (Kgs) | Furnace Oil (Ltr) |
|-------------------|------------|-------------------|
| 96.92 | 692.15 | - |

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form 'B':

FORM 'B'

I. Research and development (R&D):

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

Product and quality improvement, development of new products, cost control and energy conservation.

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

The R&D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.

3. Future plan of action:

Water and energy conservation and further improvement in process technology and product mix.

4. Expenditure on R&D (Rs. in lacs):

(a) Capital : NIL

(b) Recurring : NIL

(c) Total : NIL

II. Technology absorption, adaptation and innovation:

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

The Company has been developing in-house modification / improvements in Process Technology in its various manufacturing sections-which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits - which, when found suitable, are integrated into the regular manufacturing operation:

(a) Quality improvement. N.A.

(b) Energy conservation. N.A.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;

The Export of Paper & Paper Board during the year amounted to Rs. 2.08 Crores.

(b) Total foreign exchange used and earned (Rs. in Crores) Used: Rs. 7.11 Earned: Rs. 2.08

For and on behalf of the Board of Directors

Place: Mumbai

Date: 8th June, 2015

Anurag Poddar

Chairman & Managing Director

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 31st 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 flow 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 (1) 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 Auditors' 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
Dated : 8th June, 2015

VIRAL A. MERCHANT
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 | 1991-1992 | Jt. Commissioner of Sales Tax (Appeals) |
| | | 2,28,22,324 | 2002-2003 | 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 | 2000-2004 | Tribunal |
| | | 11,38,063 | 2004-2012 | 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
Dated : 8th June, 2015

VIRAL A. MERCHANT
Partner
Membership No.116279

Balance Sheet as at 31st March, 2015

| PARTICULARS | Note No. | Current Year ` | Previous Year ` |
|------------------------------------|--------------|----------------------|-----------------|
| I EQUITY AND LIABILITIES | | | |
| 1 SHAREHOLDERS' FUND | | | |
| (a) Share Capital | 2 | 107,398,440 | 500,000 |
| (b) Reserves and Surplus | 3 | 478,191,553 | (31,538) |
| | | <u>585,589,993</u> | <u>468,462</u> |
| 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) | - |
| | | <u>497,465,797</u> | <u>-</u> |
| 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 | - |
| | | <u>783,163,110</u> | <u>6,742</u> |
| | TOTAL | <u>1,866,218,900</u> | <u>475,204</u> |
| II. ASSETS | | | |
| 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 | - |
| | | <u>1,444,272,707</u> | <u>-</u> |
| (b) Non Current Investments | 14 | 10,000,000 | - |
| (c) Long-term loans and advances | 15 | 29,257,636 | - |
| | | <u>39,257,636</u> | <u>-</u> |
| 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 | - |
| | | <u>382,688,557</u> | <u>475,204</u> |
| | TOTAL | <u>1,866,218,900</u> | <u>475,204</u> |

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

For and on behalf of the Board of Directors

VIRAL A. MERCHANT
Partner

ANURAG P. PODDAR
Chairman & Managing Director

SHRUTISHEEL JHANWAR
Whole-time Director & CFO

RAJESH SOLANKI
Company Secretary

Mumbai,
Dated: 8th June, 2015

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

| PARTICULARS | Note No. | Current Year ` | Previous Year ` |
|---------------------------------------------------------------|----------|---------------------|-----------------|
| I Revenue from operations | 21 | 197,296,847 | - |
| II Other Income | 22 | 533,042 | - |
| III Total Revenue (I+II) | | <u>197,829,889</u> | <u>-</u> |
| 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 | | <u>228,251,223</u> | <u>31,538</u> |
| V (Loss) before tax (III-IV) | | <u>(30,421,334)</u> | <u>(31,538)</u> |
| VI Tax expense: | | | |
| - Current tax | | - | - |
| - Deferred tax | | 580,979 | - |
| VII (Loss) after Tax (V-VI) | | <u>(31,002,313)</u> | <u>(31,538)</u> |
| VIII Earnings per equity share: | 35 | | |
| Basic and Diluted | | (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

For and on behalf of the Board of Directors

VIRAL A. MERCHANT
Partner

ANURAG P. PODDAR
Chairman & Managing Director

SHRUTISHEEL JHANWAR
Whole-time Director & CFO

RAJESH SOLANKI
Company Secretary

Mumbai,
Dated: 8th June, 2015

Cash Flow Statement for the year ended 31st March, 2015

| PARTICULARS | Year Ended 31st March, 2015 | Year Ended 31st March, 2014 |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| 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) | 619,136 | - |
| Unrealised Foreign Exchange differences (Gain)/Loss | 8,040 | - |
| Retiring Gratuities | 111,955 | - |
| Leave Encashment | 277,573 | - |
| | <u>11,378,748</u> | <u>-</u> |
| Operating Loss before working capital changes | (19,042,586) | (31,538) |
| Adjustment for: | | |
| Trade and other receivables | (7,927,332) | - |
| Inventories | 32,418,463 | - |
| Trade payables | <u>25,300,773</u> | <u>6,742</u> |
| | <u>49,791,904</u> | <u>6,742</u> |
| Cash generated from operations | 30,749,318 | (24,796) |
| Direct taxes refund received/(paid) | 42,769 | - |
| Gratuity paid | (1,523,567) | - |
| Leave Encashment paid | (814,819) | - |
| Net cash from Operating Activities | <u>28,453,701</u> | <u>(24,796)</u> |
| 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 | <u>(23,717,327)</u> | <u>500,000</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds/(Repayment) of Short Term Borrowings (Net) | 39,550,929 | - |
| Repayment of Long Term Borrowings | (39,794,100) | - |
| Finance Cost Paid | <u>(2,715,377)</u> | <u>-</u> |
| Net Cash from Financing Activities | <u>(2,958,548)</u> | <u>-</u> |
| 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 JAYANTILAL THAKKAR & CO.
Chartered Accountants

For and on behalf of the Board of Directors

VIRAL A. MERCHANT
Partner

ANURAG P. PODDAR
Chairman & Managing Director

SHRUTISHEEL JHANWAR
Whole-time Director & CFO

RAJESH SOLANKI
Company Secretary

Mumbai,
Dated: 8th June, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENT

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.

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 year end 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.

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.

| PARTICULARS | Current Year ` | Previous Year ` |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|
| 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 |
| | <u>107,398,440</u> | <u>500,000</u> |
| 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 Enterprises LLP | 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 | - |
| Closing Balance | <u>509,225,404</u> | <u>-</u> |
| b. Surplus | | |
| Opening Balance | (31,538) | - |
| (Add) : Net (Loss) for the current year | (31,002,313) | (31,538) |
| | <u>(31,033,851)</u> | <u>(31,538)</u> |
| Closing Balance | <u>478,191,553</u> | <u>(31,538)</u> |
| NOTE NO.4 | | |
| LONG TERM BORROWINGS | | |
| Secured | | |
| Term loans from Bank | | |
| - External Commercial Borrowings | 254,350,234 | - |
| 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 bppa) | | |
| - 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 | | |
| Unsecured | | |
| Distributors/Dealers Deposit | 25,035,520 | - |
| | <u>399,385,754</u> | <u>-</u> |

| PARTICULARS | Current Year | Previous Year |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| NOTE NO.5 | | |
| DEFERRED TAX LIABILITIES (NET) | | |
| 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 | <u>97,796,372</u> | <u>-</u> |
| NOTE NO.6 | | |
| OTHER LONG TERM LIABILITIES | | |
| - Security Deposits | 352,350 | - |
| | <u>352,350</u> | <u>-</u> |
| NOTE NO.7 | | |
| LONG TERM PROVISIONS | | |
| - Provision for employee benefits - Gratuity | (68,679) | - |
| | <u>(68,679)</u> | <u>-</u> |
| NOTE NO.8 | | |
| SHORT TERM BORROWINGS | | |
| 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 | - |
| | <u>325,982,036</u> | <u>-</u> |
| NOTE NO.9 | | |
| TRADE PAYABLE | | |
| Sundry Creditors (including Acceptances) | 239,434,200 | 6,742 |
| (Refer Note No. 38 for details of Dues to Micro and Small Enterprises) | | |
| 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 | - |
| 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 | - |
| | <u>211,495,983</u> | <u>-</u> |
| NOTE NO.11 | | |
| SHORT TERM PROVISIONS | | |
| Provision for employee benefits | | |
| - Leave encashment | 6,250,891 | - |
| | <u>6,250,891</u> | <u>-</u> |

NOTE NO.12

| 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 | - | 3,543,134 | | 3,543,134 | - | - | - | - | - | 3,543,134 |
| i) Freehold | - | 42,000 | | 42,000 | 13,984 | 58 | - | 14,042 | 27,958 | - |
| ii) Leasehold | - | 180,363,019 | | 180,363,019 | 13,149,640 | 1,138,701 | - | 14,288,341 | 166,074,678 | - |
| (b) Buildings | - | 680,611,073 | | 680,611,073 | 77,711,316 | 3,291,200 | - | 81,002,516 | 599,608,557 | - |
| (c) Plant and Equipment | - | 9,786,625 | | 9,786,625 | 4,664,076 | 208,455 | - | 4,872,531 | 4,914,094 | - |
| (d) Factory Equipment | - | 3,293,943 | | 3,293,943 | 971,528 | 42,263 | - | 1,013,791 | 2,280,152 | - |
| (e) Furniture and Fixtures | - | 10,878,634 | 610,014 | 10,268,620 | 4,159,140 | 254,759 | 276,425 | 4,137,474 | 6,131,146 | - |
| (f) Vehicles | - | 3,338,073 | | 3,338,073 | 1,550,604 | 103,169 | - | 1,653,773 | 1,684,300 | - |
| (g) Office Equipment | - | 8,047,340 | | 8,047,340 | 2,210,451 | 151,545 | - | 2,361,996 | 5,685,344 | - |
| (h) Others | - | 941,693 | | 941,693 | 650,619 | 16,519 | - | 667,138 | 274,555 | - |
| - Electric Installations | - | 6,408,003 | | 6,408,003 | 3,947,158 | 129,400 | - | 4,076,558 | 2,331,445 | - |
| - Air Conditioners | - | | | | | | | | | |
| - Computer | - | | | | | | | | | |
| 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. 11,733,614. (Refer Note No. 45)

| PARTICULARS | Current Year ` | Previous Year ` |
|------------------------------------------------------------------------------------------------|--------------------|-----------------|
| 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 | - |
| | <u>10,000,000</u> | <u>-</u> |
| 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 | - |
| | <u>29,257,636</u> | <u>-</u> |
| 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 | - |
| | <u>165,880,556</u> | <u>-</u> |
| 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 | - |
| | <u>147,807,467</u> | <u>-</u> |
| NOTE NO.18 | | |
| CASH AND CASH EQUIVALENTS | | |
| - Balances with banks | 3,454,401 | 474,800 |
| - Cash on hand | 194,617 | 404 |
| | <u>3,649,018</u> | <u>475,204</u> |
| 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 | - |
| | <u>62,888,210</u> | <u>-</u> |
| NOTE NO.20 | | |
| OTHER CURRENT ASSETS | | |
| - Export Incentive Receivables | 1,316,213 | - |
| - Interest Accrued on others | 1,147,093 | - |
| | <u>2,463,306</u> | <u>-</u> |

| PARTICULARS | Current Year ` | Previous Year ` |
|----------------------------------------------------------------------------|----------------|-----------------|
| <u>NOTE NO.21</u> | | |
| REVENUE FROM OPERATIONS | | |
| - Sale of Products | 209,638,109 | - |
| Other Operating Revenue: | | |
| - Export Incentives | 350,625 | - |
| - Scrap Sales | 260,016 | - |
| - Others | 159,646 | - |
| | 210,408,396 | - |
| Less: Excise Duty | 13,111,549 | - |
| | 197,296,847 | - |
| <u>NOTE NO.22</u> | | |
| OTHER INCOME | | |
| Interest Income from: | | |
| - Deposits, Customers and Income tax | 533,042 | - |
| | 533,042 | - |
| <u>NOTE NO.23</u> | | |
| COST OF MATERIAL CONSUMED | | |
| - Raw Material Consumed | 126,105,375 | - |
| <u>NOTE NO.24</u> | | |
| 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> | | |
| EMPLOYEE BENEFIT EXPENSES | | |
| - 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> | | |
| FINANCE COST | | |
| (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> | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation and amortisation | 5,361,854 | - |

| PARTICULARS | Current Year ` | Previous Year ` |
|------------------------------------------------------------------------------------------------------|--------------------|-----------------|
| <u>NOTE NO.28</u> | | |
| OTHER EXPENSES | | |
| - 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 |
| | <u>75,749,750</u> | <u>31,538</u> |
| <u>NOTE NO.29</u> | | |
| 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 | - |
| (ii) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 20,066,723 | - |
| <u>NOTE NO.30</u> | | |
| Value of Imports on CIF Basis | | |
| a) Raw materials | 20,968,056 | - |
| b) Stores and Spare parts | 1,349,386 | - |
| | <u>22,317,442</u> | <u>-</u> |
| <u>NOTE NO.31</u> | | |
| Consumption of Raw Materials (As Certified by the Management) | | |
| a) Waste Paper | 102,316,296 | - |
| b) Colours and Chemicals | 23,789,078 | - |
| | <u>126,105,374</u> | <u>-</u> |

| PARTICULARS | Current Year | Previous Year |
|---------------------------------------------|------------------|---------------|
| <u>NOTE NO.32</u> | | |
| Expenditure in Foreign currency | | |
| Interest * | 6,543,914 | - |
| Other matters (Commission and Bank Charges) | 868,255 | - |
| | <u>7,412,169</u> | <u>-</u> |

*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)

a) Imported

b) Indigenous

| Raw Materials | | Stores and Spare Parts | |
|---------------|--------|------------------------|--------|
| Rupees | % | Rupees | % |
| 5,04,69,420 | 40.02 | 3,75,160 | 4.63 |
| (-) | (-) | (-) | (-) |
| 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

b) Recovery towards Freight and Insurance on Export

| | |
|-------------------|----------|
| 20,420,047 | - |
| <u>405,106</u> | <u>-</u> |
| <u>20,825,153</u> | <u>-</u> |
| (31,002,313) | (31,538) |
| 10,739,844 | 50,000 |
| 10 | 10 |
| (2.89) | (0.63) |

NOTE NO.35

Earning Per Share (EPS)

(In accordance with Accounting Standard - 20)

(Loss) after Tax

Number of Equity Shares outstanding for Basic/ Diluted Earning Per Share

Nominal Value of Equity Shares (in Rupees)

Earning Per Share Basic/Diluted

NOTE NO.36

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

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

| Transactions | KMP | Other Related Parties | Total |
|---------------------------------|--------------------|-----------------------|--------------------|
| 1 Purchase of Goods/Materials | NIL (NIL) | 8,894 (NIL) | 8,894 (NIL) |
| 2 Reimbursement of Expenses | NIL (NIL) | 90643 (NIL) | 90,643 (NIL) |
| 3 Rent Paid | NIL (NIL) | 379,083 (NIL) | 379,083 (NIL) |
| 4 Remuneration | 17,89,038 (NIL) | NIL (NIL) | 17,89,038 (NIL) |
| 5 Inter Corporate Loan Received | NIL (NIL) | 1,000,000 (NIL) | 10,00,000 (NIL) |

| | | | | |
|----|------------------------------------------------------|----------------------|---------------------|----------------------|
| 6 | Inter Corporate Loan Repayment | NIL (NIL) | 1,000,000 (NIL) | 10,00,000 (NIL) |
| 7 | Interest paid on Loan Received | NIL (NIL) | 1,777,617 (NIL) | 17,77,617 (NIL) |
| 8 | Payables | NIL (NIL) | 99,800,000 (NIL) | 9,98,00,000 (NIL) |
| 9 | Interest accrued but not due on borrowings | NIL (NIL) | 1,915,979 (NIL) | 1,915,979 (NIL) |
| 10 | Personal Guarantee against Working Capital Term Loan | 250,000,000 (NIL) | NIL (NIL) | 250,000,000 (NIL) |

Figures in brackets pertains 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 for 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 ` | Previous Year ` |
|--|----------------|-----------------|
| | 327,075 | NIL |
| | NIL | NIL |

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
 - (b) Contingent Rent
- 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.

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 | | | Sr. no. | Descriptions | Current Year | Previous Year |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------|---------|-------------------------------------------------------------------------------|--------------|---------------|
| Sr. no. | Descriptions | Current Year | | | | |
| i | Components of employer expenses | | | | | |
| | Current Service Cost | 151,915 | | Present Value of DBO at the beginning of the year | 17,958,251 | - |
| | Interest Cost | 15,472 | | Current Service cost | 151,915 | - |
| | Expected Return on Plan Assets | NIL | | Interest cost | 206,894 | - |
| | Actuarial (Gain)/Loss | (55,432) | | Past Service Cost (Vested Benefit) | NIL | - |
| | Total Expenses recognised in the statement of Profit & Loss Account in Note No.25 | 111,955 | | Actuarial (Gain)/Loss on DBO | (165,389) | - |
| | | | | Benefits paid | (2,660,236) | - |
| ii | Actual Contribution and Benefit Payments for the year end | | | Present Value of DBO at the end of the year | 15,491,435 | - |
| | Actual Benefit Payments | 2,660,236 | | v Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets | | |
| | Actual Contributions | 1,523,567 | | Plan assets at the beginning of the year | 16,615,318 | - |
| iii | Net Liability recognised in balance sheet at the year end | | | Expected return on plan assets | 191,422 | - |
| | Present Value of Defined Benefit Obligation | 15,491,435 | | Actual Company contributions | 1,523,567 | - |
| | Fair value of plan assets | (15,560,114) | | Actuarial (Loss)/ Gain on Plan Assets | (109,957) | - |
| | Net Liability/(Asset) recognised in balance sheet | 68,679 | | Benefits paid | (2,660,236) | - |
| iv | Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO) | | | 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.

NOTE NO.40

Payment to Auditors

a) Statutory Auditors

- Audit Fees
- For taxation matters
- For Other Services- Certification Charges, etc.
- For reimbursement of Service Tax

b) Cost Auditors

- Audit Fees
- For reimbursement of Service Tax

| | Current Year | Previous Year |
|--|--------------|---------------|
| | 100,000 | 6,000 |
| | 80,000 | - |
| | 55,000 | - |
| | 29,046 | 742 |
| | 10,274 | - |
| | 1,270 | - |
| | 6,734,353 | - |
| | 209,638,109 | Nil |

NOTE NO.41

- Amount of Borrowing Cost capitalised

NOTE NO.42

Sale of Products:

Paper / Paper Boards

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.

| PARTICULARS | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| NOTE NO.44 | | |
| 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 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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE MEMBERS OF NIRVIKARA PAPER MILLS LIMITED**

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 flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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.
- (iii) 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.

- (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 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.
- (v) 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.
- (vi) 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.
- (vii)(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 others 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) |
| | | 2,28,22,324 | 2002-2003 | Assessing Authority |
| Income Tax Act | Income Tax | 20,56,130 | 2009-2010 | Dy. Commissioner of Income Tax |
| | | 1,26,070 | 2010-2011 | Assessing Authority |
| Water Cess Textile Committee Act | Cess | 1,88,56,716 | 1992-2015 | Court of Civil Judge, Senior Division, Thane |
| | | 15,92,088 | 1998-2000 | High Court |
| Central Excise Act | Excise Duty and Service Tax (Including Interest and Penalty) | 8,14,609 | 2000-2004 | Tribunal |
| | | 11,38,063 | 2004-2012 | Assessing Authority |
| | | 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

VIRAL A. MERCHANT
Membership No. 116279
Partner

Consolidated Balance Sheet as at 31st March, 2015

| PARTICULARS | Note No. | Current Year |
|------------------------------------|--------------|-----------------------------|
| I. EQUITY AND LIABILITIES | | |
| 1 SHAREHOLDERS' FUND | | |
| (a) Share Capital | 2 | 107,398,440 |
| (b) Reserves and Surplus | 3 | 570,346,961 |
| | | <u>677,745,401</u> |
| 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 |
| | | <u>609,017,582</u> |
| 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 |
| | | <u>976,540,049</u> |
| | TOTAL | <u>2,263,303,032</u> |
| 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 |
| | | <u>1,741,282,777</u> |
| (b) Non Current Investments | 14 | 5,565,700 |
| (c) Long-term loans and advances | 15 | 80,800,718 |
| | | <u>86,366,418</u> |
| 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 | <u>2,263,303,032</u> |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 40

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

For and on behalf of the Board of Directors

VIRAL A. MERCHANT
PartnerANURAG P. PODDAR
Chairman & Managing DirectorSHRUTISHEEL JHANWAR
Whole-time Director & CFORAJESH SOLANKI
Company SecretaryMumbai,
Dated: 8th June, 2015

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

| PARTICULARS | Note No. | Current Year |
|---------------------------------------------------------------|----------|---------------------|
| I Revenue from operations | 21 | 282,989,918 |
| II Other Income | 22 | 953,467 |
| III Total Revenue (I+II) | | <u>283,943,385</u> |
| 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 | | <u>308,126,525</u> |
| V (Loss) before tax ((III-IV) | | <u>(24,183,141)</u> |
| VI Tax expense: | | |
| - Current tax | | 4,070,388 |
| - Deferred tax | | (1,325,082) |
| VII (Loss) after Tax (V-VI) | | <u>(21,437,835)</u> |
| VIII Earnings per equity share: | 30 | |
| Basic and Diluted | | (2.00) |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 40

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

For and on behalf of the Board of Directors

VIRAL A. MERCHANT
Partner

ANURAG P. PODDAR
Chairman & Managing Director

SHRUTISHEEL JHANWAR
Whole-time Director & CFO

RAJESH SOLANKI
Company Secretary

Mumbai,
Dated: 8th June, 2015

Consolidated Cash Flow Statement for the year ended 31st March, 2015

| PARTICULARS | 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 |
| | <u>21,701,296</u> |
| 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 |
| | <u>65,977,513</u> |
| 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 | <u>57,338,730</u> |
| 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 | <u>(19,158,766)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | |
| Proceeds/(Repayment) of Short Term Borrowings (Net) | 19,957,368 |
| Repayment of Long Term Borrowings | (50,794,100) |
| Finance Cost Paid | (5,259,351) |
| Net Cash from Financing Activities | <u>(36,096,083)</u> |
| Net Increase 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 | <u>3,961,469</u> |

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 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

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.

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.

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 year end 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.

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.

| PARTICULARS | Current Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| NOTE NO.2 | |
| SHARE CAPITAL | |
| Authorised : | |
| 1,10,00,000 Equity Shares of Rs.10 each | 110,000,000 |
| Issued Subscribed and fully paid up: | |
| 1,07,39,844 Equity Shares of Rs.10 each, fully paid up | 107,398,440 |
| | <u>107,398,440</u> |
| 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 Enterprises LLP | 2,666,493 |
| % holding | 24.83% |
| RAP Enterprises LLP | 2,663,110 |
| % holding | 24.80% |
| NOTE NO.3 | |
| RESERVES AND SURPLUS | |
| a. Capital Redemption Reserves | |
| Opening Balance | - |
| Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 39) | 6,500,000 |
| Closing Balance | <u>6,500,000</u> |
| a. Capital Reserve | |
| Opening Balance | - |
| Add: Addition during the year on account of scheme of Arrangement (Refer Note No. 39) | 509,225,404 |
| Closing Balance | <u>509,225,404</u> |
| 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 | <u>(21,437,834)</u> |
| Closing Balance | <u>54,621,557</u> |
| | <u>570,346,961</u> |
| 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 bppa) | |
| - 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 |
| | <u>475,385,754</u> |

| PARTICULARS | Current Year |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 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 | <u>127,466,194</u> |
| 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 |
| | <u>352,350</u> |
| NOTE NO.7 | |
| LONG TERM PROVISIONS | |
| - Provision for employee benefits - Gratuity | 5,813,284 |
| | <u>5,813,284</u> |
| 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 |
| | <u>386,997,081</u> |
| NOTE NO.9 | |
| TRADE PAYABLE | |
| Sundry Creditors (including Acceptances) | |
| (Refer Note No. 33 for details of Dues to Micro and Small Enterprises) | |
| | <u>315,694,474</u> |
| 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 |
| | <u>265,132,415</u> |
| NOTE NO.11 | |
| SHORT TERM PROVISIONS | |
| Provision for employee benefits | |
| - Leave encashment | 8,716,079 |
| | <u>8,716,079</u> |

NOTE NO.12

(Amount in ₹)

| 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 | - | 3,543,134 | - | 3,543,134 | - | - | - | - | - | - |
| 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 | - | 21,376,090 | - | 21,376,090 | 8,441,144 | 499,900 | - | 8,941,044 | 12,435,046 | - |
| - Electric Installations | - | 2,024,880 | - | 2,024,880 | 1,107,062 | 56,611 | - | 1,163,673 | 861,207 | - |
| - Air Conditioners | - | 8,121,473 | - | 8,121,473 | 5,135,220 | 209,346 | - | 5,344,566 | 2,776,907 | - |
| - Computer | - | - | - | - | - | - | - | - | - | - |
| 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. 16,357,930. (Refer Note No. 39)

| PARTICULARS | Current Year |
|----------------------------------------------------------------------------|--------------------|
| NOTE NO.14 | |
| NON CURRENT INVESTMENTS- (At Cost) | |
| Investments in Equity Instruments- Unquoted: | |
| (Unquoted (In 100% Subsidiaries Companies) | |
| 55,657 Equity Share of Rs.100 each of Tarapur | |
| Environment Protection Society | |
| | 5,565,700 |
| | <u>5,565,700</u> |
| 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 |
| | <u>80,800,718</u> |
| 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 |
| | <u>199,660,475</u> |
| 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 |
| | <u>147,807,467</u> |
| NOTE NO.18 | |
| CASH AND CASH EQUIVALENTS | |
| - Balances with banks | 3,723,362 |
| - Cash on hand | 238,107 |
| | <u>3,961,469</u> |
| 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 |
| | <u>81,565,910</u> |
| NOTE NO.20 | |
| OTHER CURRENT ASSETS | |
| - Export Incentive Receivables | 1,316,213 |
| - Interest Accrued on others | 1,342,304 |
| | <u>2,658,517</u> |

| PARTICULARS | Current Year |
|----------------------------------------------------------------------------|--------------------|
| <u>NOTE NO.21</u> | |
| 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 |
| | <u>296,101,467</u> |
| Less: Excise Duty | 13,111,549 |
| | <u>282,989,918</u> |
| <u>NOTE NO.22</u> | |
| OTHER INCOME | |
| Interest Income from Deposits, Customers and Income tax | 714,834 |
| - Profit on sale of Fixed Assets | 238,633 |
| | 953,467 |
| <u>NOTE NO.23</u> | |
| COST OF MATERIAL CONSUMED | |
| - Raw Material Consumed | <u>140,307,183</u> |
| <u>NOTE NO.24</u> | |
| CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS | |
| Opening Stock : | |
| Work-in-Progress | 9,676,570 |
| Finished Goods | 60,812,205 |
| | <u>70,488,775</u> |
| Less: Closing Stock- | |
| Work-in-Progress | 7,196,230 |
| Finished Goods | 56,880,127 |
| | <u>64,076,357</u> |
| Net Decrease in Inventories | 6,412,418 |
| <u>NOTE NO.25</u> | |
| EMPLOYEE BENEFIT EXPENSES | |
| - Salaries and wages | 18,926,192 |
| - Contribution to provident and other funds | 3,045,507 |
| - Staff welfare expenses | 1,211,236 |
| | <u>23,182,935</u> |
| <u>NOTE NO.26</u> | |
| FINANCE COST | |
| (a) Interest expenses | 8,254,408 |
| (b) Applicable net (gain) on foreign currency transactions and translation | (87,955) |
| | <u>8,166,453</u> |
| <u>NOTE NO.27</u> | |
| DEPRECIATION AND AMORTISATION EXPENSES | |
| Depreciation and amortisation | <u>10,893,573</u> |

| PARTICULARS | Current Year |
|------------------------------------------------------------------------------------------------------|--------------------|
| <u>NOTE NO.28</u> | |
| 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 |
| | <u>119,163,962</u> |
| <u>NOTE NO.29</u> | |
| 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 |
| (ii) Commitments | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 38,555,452 |
| <u>NOTE NO.30</u> | |
| 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) |

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

| Transactions | KMP | Other Related Parties | Total |
|---------------------------------------------------------|----------------------|-----------------------|-----------------------|
| 1 Purchase of Goods/Materials/Services | NIL (NIL) | 204,511 (NIL) | 2,04,511 (NIL) |
| 2 Processing Charges | NIL (NIL) | 85,040,377 (NIL) | 8,50,40,377 (NIL) |
| 3 Reimbursement of Expenses | NIL (NIL) | 90643 (NIL) | 90,643 (NIL) |
| 4 Payment of Rent | NIL (NIL) | 379083 (NIL) | 379,083 (NIL) |
| 5 Remuneration | 23,60,349 (NIL) | NIL (NIL) | 23,60,349 (NIL) |
| 6 Inter Corporate Loan Received | NIL (NIL) | 11,000,000 (NIL) | 1,10,00,000 (NIL) |
| 7 Inter Corporate Loan Repayment | NIL (NIL) | 1,000,000 (NIL) | 10,00,000 (NIL) |
| 8 Interest paid on Loan received | NIL (NIL) | 2,663,233 (NIL) | 26,63,233 (NIL) |
| 9 Payables | 108,845 (NIL) | 180,898,009 (NIL) | 18,10,06,854 (NIL) |
| 10 Interest accrued but not due on borrowings | NIL (NIL) | 1,915,979 (NIL) | 1,915,979 (NIL) |
| 11 Personal Guarantee against Working Capital Term Loan | 250,000,000 (NIL) | NIL (NIL) | 250,000,000 (NIL) |

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

- Purchase of Goods/ Materials includes : Siyaram Silk Mills Limited Rs. 2,04,511 (Previous Year Rs. Nil)
- Sale of Finished Goods / Processing Charges includes: Siyaram Silk Mills Ltd Rs. 8,50,40,377
- 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)
- 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) and Mr. Rajendra Jhanwar Rs. 5,71,311 (Previous Year Nil)
- Inter Corporate Loan Received includes: S. P. Finance & Trading Ltd. Rs. 1,10,00,000 (Previous Year Rs. Nil)
- 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
- 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
- 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)
- Personal Guarantee against working capital Term loan given by KMP: Mr. Anurag P. Poddar and Mr. Ankit P. Poddar for 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.

| PARTICULARS | Current 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 | 327,075 |
| (b) Contingent Rent | NIL |
| iii) The Company does not have any assets given on lease. | |

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 accounting standard AS-15 on "Employee Benefits".

| Defined benefit plans - As per actuarial valuation in respect of Gratuity | | Sr. no. | Descriptions | Current Year |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------|--------------|
| Sr. no. | Descriptions | | | |
| i | Components of employer expenses | | beginning of the year | 17,958,251 |
| | Current Service Cost | 249,029 | Liability transfer in | 16,361,040 |
| | Interest Cost | 220,331 | Current Service cost | 249,029 |
| | Expected Return on Plan Assets | (138,517) | Interest cost | 411,753 |
| | Past Service Cost (vested benefit) recognised | NIL | Past Service Cost (Vested Benefit) | NIL |
| | Actuarial (Gain)/Loss | 324,756 | Actuarial (Gain)/Loss on DBO | 167,685 |
| | Total Expenses recognised in the statement of Profit & Loss Account in Note No.26 | 655,599 | Benefits paid | (2,660,236) |
| ii | Actual Contribution and Benefit Payments for the year end | | Present Value of DBO at the end of the year | 32,487,522 |
| | Actual Benefit Payments | 2,660,236 | v Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets | |
| | Actual Contributions | 2,412,610 | Plan assets at the beginning of the year | 16,615,318 |
| iii | Net Liability recognised in balance sheet at the year end | | Assets transfer in | 10,133,678 |
| | Present Value of Defined Benefit Obligation | 16,126,482 | Expected return on plan assets | 329,939 |
| | Fair value of plan assets | (16,540,560) | Actual Company contributions | 2,412,610 |
| | Net Liability/(Asset) recognised in balance sheet | (276,720) | Actuarial (Loss)/ Gain on Plan Assets | (157,071) |
| iv | Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO) | | Benefits paid | (2,660,236) |
| | Present Value of DBO at the | | 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.

| PARTICULARS | Current Year |
|---------------------------------------------------|--------------|
| <u>NOTE NO.35</u> | |
| 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 |
| <u>NOTE NO.36</u> | |
| - Amount of Borrowing Cost capitalised | 6,919,158 |

NOTE NO.37

SEGMENT INFORMATION

Primary Business Segments:-

| Particulars | Paper/Paper Boards | Textile Processing | Total |
|--------------------------------------------|--------------------|--------------------|---------------|
| Segment Revenue | | | |
| 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 | (-) |
| Unallocated Liabilities | (-) | (-) | 341,597,786 |
| Total Liabilities | | | (-) |
| Total Cost incurred during the year to acquire Segment Fixed Assets | 2,192,499 | 19,278,738 | 254,110,816 |
| Segment Depreciation and Amortisation | (-) | (-) | (-) |
| | 5,361,854 | 5,531,719 | 595,708,602 |
| | (-) | (-) | (-) |
| | | | 21,471,237 |
| | | | (-) |
| | | | 10,893,573 |
| | | | (-) |

Notes

- i) 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.
- v) Unallocated assets exclude :
 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

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

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

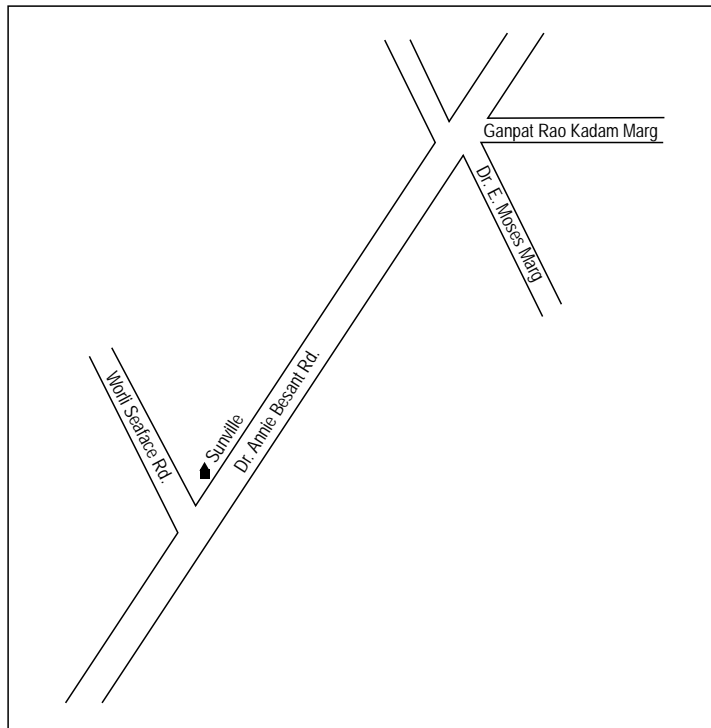
FORM - AOC - I

Saillant features of Financial Statement of Subsidiary Company as per Companies Act, 2013

| | | |
|----|------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1 | Name of the subsidiary/Joint Venture/Associate Companies | Balkrishna Synthetics Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st March, 2015 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries. | N.A |
| 4 | Share capital | Rs. 1,00,00,000 |
| 5 | Reserves and Surplus | Rs. 9,21,55,410 |
| 6 | Total Assets | Rs. 40,70,84,134 |
| 7 | Total Liabilities | Rs. 30,49,28,724 |
| 8 | Investments | Rs. 55,65,700 |
| 9 | Turnover | Rs. 60,07,36,778 |
| 10 | Profit before taxation | Rs. 2,96,36,580 |
| 11 | Provision for taxation | Rs. 40,44,289 |
| 12 | Profit after taxation | Rs. 2,55,92,291 |
| 13 | Proposed Dividend | Nil |
| 14 | % of shareholding | 100% |

NOTES

Route Map for AGM Hall



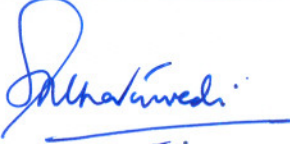
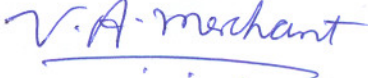


Registered Office: A/7, Trade World, Kamala City, Kamala Mills Compound, Senapati
Bapat Marg, Lower Parel (W), Mumbai - 400 013. India.

Tel: 91-22-61207900. Fax: 91-22-61207999

CIN : U21098MH2013PLC244963, www.npml.in

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

| Sr. No. | Particulars | Details |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the Company | Nirvikara Paper Mills Limited |
| 2. | Annual Financial Statements for the year ended | 31 st March, 2015. |
| 3. | Type of Audit observation | Unqualified |
| 4. | Frequency of observation | Not applicable |
| 5. | To be signed by: <ul style="list-style-type: none"> Chairman and Managing Director Chief Financial Officer Audit Committee Chairman Auditor of the Company | <p>x  Shri Anurag Poddar</p> <hr/> <p>x  Shri Shrutisheel Jhanwar</p> <hr/> <p>x  Shri Sachin Nath Chaturvedi</p> <hr/> <p>For Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration No. 104133W)</p> <p>x  Viral A. Merchant Membership No.116279</p> |