

MADHYA BHARAT PAPERS LIMITED

Balance Sheet as at 31st March, 2014

Sl. No.	Particulars	Note No.	As at 31.03.2014 ₹. in lacs	As at 31.03.2013 ₹. in lacs
I EQUITY AND LIABILITIES				
A Shareholders' Funds				
	(a) Share Capital	2	341.00	341.00
	(b) Reserves and Surplus	3	<u>969.40</u>	<u>748.67</u>
	Total (A)		<u>1310.40</u>	<u>1089.67</u>
B Non-Current Liabilities				
	(a) Long Term Borrowings	4	1095.67	1112.61
	(b) Other Long Term Liabilities	5	164.96	166.46
	(c) Long Term Provisions	6	<u>1.60</u>	<u>1.60</u>
	Total (B)		<u>1262.23</u>	<u>1280.67</u>
C Current Liabilities				
	(a) Short Term Borrowings	7	466.17	437.81
	(b) Trade Payables	8	776.01	590.76
	(c) Other Current Liabilities	9	263.90	250.57
	(d) Short Term Provisions	10	<u>35.73</u>	<u>35.99</u>
	Total (C)		<u>1541.81</u>	<u>1315.13</u>
	Total (A+B+C)		<u>4114.44</u>	<u>3685.47</u>
II ASSETS				
A Non-Current Assets				
	(a) Fixed Assets	11		
	(i) Tangible Assets		2316.54	2517.64
	(ii) Capital Work-in-Progress		127.10	127.10
	(b) Non Current Investments	12	24.65	24.65
	(c) Deferred Tax Assets (Net)	13	<u>145.16</u>	<u>(225.86)</u>
	Total (A)		<u>2613.45</u>	<u>2443.53</u>
B Current Assets				
	(a) Inventories	14	978.75	803.87
	(b) Trade Receivables	15	191.82	156.86
	(c) Cash and Cash Equivalents	16	20.14	18.76
	(d) Short Term Loans and Advances	17	275.29	219.59
	(e) Other Current Assets	18	<u>34.99</u>	<u>42.86</u>
	Total (B)		<u>1500.99</u>	<u>1241.94</u>
	Total (A+B)		<u>4114.44</u>	<u>3685.47</u>
SIGNIFICANT ACCOUNTING POLICIES		1		
OTHER NOTES ON ACCOUNTS		2 to 34		

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

As per our report of even date.

For MURARI AGRAWAL & CO.
Chartered Accountants

JAYDEEP CHITLANGIA
Managing Director

S. M. AGRAWAL
Partner
(M.No. 53923)

V. K. KHANNA
President &
Company Secretary

R.L. KAPUR
Director

Kolkata : 27th May, 2014.

Statement of Profit & Loss for the year ended 31st March, 2014

Sl. No.	Particulars	Note No.	2013-14 ₹. in lacs	2012-13 ₹. in lacs
	INCOME :			
I	Revenue from Operations	19	7300.42	6548.22
II	Other Income	20	<u>12.07</u>	<u>20.99</u>
III	Total Revenue (I+II)		<u>7312.49</u>	<u>6569.21</u>
IV	EXPENDITURE :			
	(a) Cost of Material Consumed	21	2218.33	2212.16
	(b) Change in Inventories of Finished Goods, Work-in-progress and Stock in Trade	22	(102.28)	(34.29)
	(c) Employee Benefits Expenses	23	574.36	541.84
	(d) Finance Costs	24	155.67	154.33
	(e) Depreciation and Amortisation Expenses	25	201.83	202.42
	(f) Other Expenses	26	<u>4407.98</u>	<u>4087.57</u>
	Total Expenses		<u>7455.89</u>	<u>7164.03</u>
V	Profit Before Extraordinary Items and Tax (III-IV)		(143.40)	(594.82)
VI	Extraordinary Items		-	-
VII	Profit Before Tax (V-VI)		(143.40)	(594.82)
VIII	Tax Expenses			
	Deferred Tax		<u>(371.02)</u>	<u>(11.56)</u>
IX	Profit / (Loss) for the Period (VII-VIII)		<u>227.62</u>	<u>(583.26)</u>
X	Earning per Equity Share	30		
	(a) Basic		6.67	(17.10)
	(b) Diluted		6.67	(17.10)
	SIGNIFICANT ACCOUNTING POLICIES	1		
	OTHER NOTES ON ACCOUNTS	2 to 34		

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

As per our report of even date.

For MURARI AGRAWAL & CO.

Chartered Accountants

JAYDEEP CHITLANGIA

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V. K. KHANNA

*President &
Company Secretary*

R.L. KAPUR
Director

Kolkata : 27th May, 2014.

Cash Flow Statement for the year ended 31st March, 2014

Particulars	2013-14 ₹. in lacs	2012-13 ₹. in lacs
A. Cash flow from operating activities		
Net Profit/Loss before interest, tax & extraordinary items	9.88	(443.19)
Items adjusted for		
Depreciation	201.83	202.42
Interest	(11.90)	(7.76)
Dividend	(0.02)	(0.03)
(Profit)/Loss on sale of fixed assets	-	6.79
Operating profit before working capital changes	<u>199.79</u>	<u>(241.77)</u>
Changes in		
Trade & other receivables	(81.36)	12.41
Inventories	(174.89)	(141.40)
Trade payable	<u>226.42</u>	<u>33.11</u>
Cash generated from operation	169.96	(337.65)
Direct taxes paid	<u>(0.61)</u>	<u>(0.20)</u>
Cash flow before extra-ordinary items	169.35	(337.85)
NET CASH FROM OPERATING ACTIVITIES	<u>169.35</u>	<u>(337.85)</u>
B. Cash flow from investing activities		
Purchase of fixed assets (incl. WIP)	(7.62)	(33.71)
Sale of fixed assets (incl. WIP)	-	3.51
Investment in Deposit	(0.67)	0.44
Interest received	11.09	6.56
Dividend received	<u>0.02</u>	<u>0.03</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>2.82</u>	<u>(23.17)</u>
C. Cash flow from financing activities		
Proceeds from long-term borrowings	(14.19)	503.46
Repayment of long term borrowings	(2.48)	(3.56)
Proceeds from long-term liabilities	(1.50)	7.47
Proceeds from hire purchase loan	-	8.00
Interest paid	<u>(153.29)</u>	<u>(151.63)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(171.46)</u>	<u>363.74</u>
Net changes in cash & cash equivalents(A+B+C)	<u>0.71</u>	<u>2.72</u>
Cash & Cash Equivalents-Opening Balance	9.04	6.32
Cash & Cash Equivalents-Closing Balance	<u>9.75</u>	<u>9.04</u>
	0.71	2.72

Notes :-

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Companies (Accounting Standards) Rules 2006.		
(b) Cash and Bank Balance (as per Note No.16 to Financial Statements)	20.14	18.76
Less :		
Fixed Deposit (pledged with Sales Tax Authorities)	0.43	0.43
Margin Money	<u>9.96</u>	<u>9.29</u>
Cash & Cash Equivalents-Closing Balance	<u>9.75</u>	<u>9.04</u>

Particulars	2013-14 ₹. in lacs	2012-13 ₹. in lacs
(c) Cash Equivalents in the Form of Fixed Deposit Account for ₹.0.43 lac (₹.0.43 lac) pledged with Sales Tax Authorities, which are not available for use.		
(d) Cash equivalent in the Form of Margin Money Account for ₹.9.96 lacs (₹.9.29 lacs) which is not available for use.		
(e) Figures in bracket represent cash out flows.		

This is the Cash Flow Statement referred to in our report of even date.

For MURARI AGRAWAL & CO.
Chartered Accountants

JAYDEEP CHITLANGIA
Managing Director

S. M. AGRAWAL
Partner
(M.No. 53923)

V. K. KHANNA
President &
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R.L. KAPUR
Director

Kolkata : 27th May, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 (a) The accounts of the Company have been prepared on the concept of going concern and on accrual basis except the Excise, and other claims / refunds which are being adjusted in the books as and when settled.
- (b) Sales value is inclusive of Excise Duty but exclusive of Sales Tax/VAT.
- 1.2 Fixed Assets have been stated at cost as increased by attributable direct and indirect expenses less accumulated depreciation. Wherever these assets have been revalued, the amounts stated are inclusive of enhanced value on account of revaluation.
- 1.3 Impairment losses, if any, are recognised when carrying amount of asset exceeds its recoverable amount. Reversal of such loss is also accounted whenever situation so warrants, in accordance with the accounting Standard issued by The Institute of Chartered Accountants of India.
- 1.4 Capital work in Progress be assessed, reviewed and diminished adequately from time to time.
- 1.5 Pre-operative expenses relating to expansion / new projects are capitalised and allocated to building, plant & machinery, etc. on value basis.
- 1.6 (a) Depreciation on Fixed Assets have been provided for on straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended.
- (b) Depreciation on revaluation of Fixed Assets has been reduced from Revaluation Reserve account.
- 1.7 (a) Assets taken on lease other than leasehold land and building are not capitalised. Lease rentals are charged to revenue.
- (b) Right to use the Resorts is considered as Leasehold building and amount paid is amortised over the tenure of the right. Lease hold building are depreciated over the tenure of the lease hold right. Lease hold land are depreciated over the tenure of the lease hold right.
- 1.8 Investments have been stated at cost and provision for diminution in the value of long term Investments is made only if such a decline is other than temporary in the opinion of the management.
- 1.9 Inventories are valued as follows :
- (a) Inventories are valued at lower of cost and net realisable value. For this purpose cost has been arrived at on the basis of weighted average cost formula. The cost of finished goods, WIP comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (b) Provision for obsolescence is made wherever necessary.
- 1.10 Foreign currency transactions in respect of current assets and current/long term liabilities other than those incurred for acquisition of fixed assets, the overall net loss, if any, on conversion at the exchange rates prevailing on the date of the Balance Sheet, is charged to revenue but the overall net gain, if any, is not accounted for. In respect of liabilities incurred for acquisition of fixed assets, the net gain or loss on such conversion, is adjusted in the carrying value of the related assets.
- 1.11 Revenue expenditure incurred on research and development is charged to the Profit & Loss Account whereas capital expenditure is treated as addition to fixed assets.

1.12 Employee Benefits

(a) Post retirement employee benefits:

Post retirement benefits like Provident Fund and Defined Contribution Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company. Contributions required are recognised in the Profit & Loss Account on an accrual basis and funded with recognised funds set up for the purpose.

Defined Benefit plan like Gratuity is also maintained by the Company. Liabilities under the defined benefit schemes are determined through independent year end actuarial valuation and charge is recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the Profit & Loss Account.

The Company recognises in the Profit & Loss Account, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

(b) Other Employee Benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absence are determined based on independent year end actuarial valuation and charge is recognised in the Profit & Loss Account. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

1.13 Borrowing Costs, attributable to the acquisition of qualifying assets upto the date it is ready to put to use, are capitalised. Other borrowing costs are charged to profit and loss account.

1.14 Government Grants of the nature of project subsidy are credited to Capital Reserves as it is not specified to particular item / asset. In the case where any grant received in relation to specified Item / asset, such amount is adjusted with the specified item / asset, other government grants which are revenue nature, credited to Profit & Loss Account under the the head "Other Income".

1.15 Intersegments transfer is being made at market value.

1.16 Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets/liabilities on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Note No.	Particulars	As at	As at
		31.03.2014	31.03.2013
		₹. in lacs	₹. in lacs

NOTES ON ACCOUNTS

2 Share Capital

1 Authorised

2,50,00,000 (Last Year 2,50,00,000)
Equity Shares of ₹.10 each

2500.00

2500.00

50,00,000 (Last Year 50,00,000)
Preference Share of ₹.10 each

500.00

500.00

3000.00

3000.00

2 Issued, Subscribed and Paid-up

34,10,000 (Last Year 34,10,000)
Equity Shares of ₹.10 each

341.00

341.00

341.00

341.00

2.1 Shares in the Company held by each Shareholder holding more than 5 per cent Shares (Equity Shares in Nos of ₹.10 each)

Name of Shareholder

Name of Shareholder	Holding		Holding	
	%	No. of Shares	%	No. of Shares
Sudeep Chitlangia	14.37	490000	14.37	490000
Jaydeep Chitlangia	12.61	430000	12.61	430000
Sheela Chitlangia	8.06	274737	7.57	258237
Archana Chitlangia	7.33	250000	7.33	250000
Nikhilesh Chitlangia	5.57	190000	5.57	190000
IDBI Bank Limited	16.51	562937	16.51	562937
IFCI Limited	8.14	277436	8.14	277436
ICICI Bank Limited	6.66	227150	6.66	227150

2.2 Reconciliation of Number of Shares Outstanding

Equity Shares at the Beginning of the Accounting Period	3410000	3410000
Additions during the Year	-	-
Shares at the end of the Accounting Year	3410000	3410000

2.3 All issued, subscribed and paidup capital of 3410000 equity shares having voting rights.

2.4 The company's Shares are listed in Kolkata & M.P. Stock Exchanges and listing fees have been paid upto 2014-15.

3 Reserves & Surplus

1 Revaluation Reserve

Balance as per Last Account

139.09

148.73

Less: Depreciation Current Year

6.89

9.64

(Refer Note No.11.1)

132.20

139.09

Note No.	Particulars	As at	As at
		31.03.2014	31.03.2013
		₹. in lacs	₹. in lacs
2	Capital Reserve		
	At the Beginning of the Accounting Period:		
	Central Subsidy	15.00	15.00
	Share Forefeiture Account	0.03	0.03
	Additions during the year	-	-
	At the end of the Accounting Year	<u>15.03</u>	<u>15.03</u>
2.1	Government grant of ₹.15 lacs received against Capital Investment Subsidy has been credited to Capital Reserve.		
3	Capital Redemption Reserve		
	At the Beginning of the Accounting Period	450.00	450.00
	Additions during the year	-	-
	At the end of the Accounting Period	<u>450.00</u>	<u>450.00</u>
4	General Reserve		
	At the Beginning of the Accounting Period	598.00	598.00
	Additions during the year	-	-
	At the end of the Accounting Period	<u>598.00</u>	<u>598.00</u>
5	Surplus		
	At the Beginning of the Accounting Period	(453.45)	129.81
	Additions/(Deletion) during the year (Balance in Statement of Profit & Loss A/c)	227.62	(583.26)
	At the end of the Accounting Period	<u>(225.83)</u>	<u>(453.45)</u>
	Grand Total	<u>969.40</u>	<u>748.67</u>
4	Long Term Borrowings		
1	Secured		
	Term Loans from Banks	1.99	4.74
	(Hire Purchase Loan secured against Vehicles)		
		<u>1.99</u>	<u>4.74</u>
2	Unsecured		
	From Companies	818.68	777.87
	From Others	275.00	330.00
		<u>1093.68</u>	<u>1107.87</u>
	Grand Total	<u>1095.67</u>	<u>1112.61</u>

Note No.	Particulars	As at 31.03.2014 ₹. in lacs	As at 31.03.2013 ₹. in lacs
5	Other Long Term Liabilities		
	Deposits from -		
	Sales Representatives, consignment agents & dealers	164.96	166.46
		<u>164.96</u>	<u>166.46</u>
6	Long Term Provisions		
	Provision for Diminution in the value of Investment	1.60	1.60
		<u>1.60</u>	<u>1.60</u>
7	Short-Term Borrowings		
	Secured		
	Working Capital Loan		
	From Bank		
	Rupee Loan	466.17	437.81
	(Hypothecation of Company's Present & Future Stocks of Raw Materials, Consumable Stores, Finished & Semi-Finished Goods and Book Debts, Personal Guarantee of Managing Director of the Company and also Second Charge on the Fixed Assets of the Company.)		
		<u>466.17</u>	<u>437.81</u>
8	Trade Payables		
	MSME Unit	1.59	2.09
	Others	774.42	588.67
		<u>776.01</u>	<u>590.76</u>
	8.1 There are 2 Nos Micro, Small, Medium Enterprises, as defined in the Micro, Small, Medium Enterprise Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest for ₹.1.59 lacs (Previous year ₹.2.09 lac). 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.		
9	Other Current Liabilities		
1	Current Maturities of Long Term Debts (Hire Purchase Loan secured against Vehicles)	2.75	2.48
2	TDS Payable	16.08	15.78
3	Other Current Liabilities (Consist of employees liabilities, retention money and security deposit, statutory liabilities and other expenses)	245.07	232.31
		<u>263.90</u>	<u>250.57</u>
10	Short-Term Provisions		
	Provision for Employee Benefits (Refer Note No. 23.2)	35.73	35.99
		<u>35.73</u>	<u>35.99</u>

11 FIXED ASSETS

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2013	Addition	Deletion	As at 31.03.2014	Upto 01.04.2013	Addition	Deletion	Upto 1.03.2013	As at 31.03.2014	As at 31.03.2013
(i) TANGIBLE ASSETS										
1 Freehold Land	44.49			44.49	-	-	-	-	44.49	44.49
2 Leasehold Land	4.39			4.39	1.03	0.04		1.07	3.32	3.36
3 Factory Buildings	1053.89			1053.89	477.28	23.16		500.44	553.45	576.61
4 Plant and Machineries	4899.58	5.02		4904.60	3048.55	179.12		3227.67	1676.93	1851.03
5 Furniture and Fixture	48.28			48.28	42.73	0.46		43.19	5.09	5.56
6 Vehicles	46.03	0.59		46.62	25.50	2.55		28.05	18.57	20.53
7 Office Equipments	30.15			30.15	23.47	0.72		24.19	5.96	6.68
8 Computers	63.44	2.01		65.45	54.06	2.66		56.72	8.73	9.38
Grand Total	6190.26	7.62	0	6197.88	3672.62	208.71	0	3881.33	2316.54	
Total of the Previous Year	6141.63	65.93	17.30	6190.26	3467.57	212.06	7.00	3672.61		2517.64
(ii) CAPITAL WORK IN PROGRESS										
Advance against Capital Expenditure & Machineries in Stock/Transit									127.10	127.10
									127.10	127.10

11.1 Gross Block includes revaluation of Fixed assets (comprising of Building, Plant & Machinery amounting to ₹. 5441.18 lacs) made on 30.04.1987 (Historical Cost for ₹. 4883.30 lacs) revalued by an external approved valuer and the replacement value method adjusted with RBI index was used for such revaluation.

557.88 557.88

Cumulative Depreciation includes Depreciation on enhanced value of fixed assets.

425.68 418.79

Depreciation on enhanced value of fixed assets has been deducted from revaluation reserve account.

6.89 9.64

The uncharged amount of accumulated depreciation relating to revaluation would be adjusted against the revaluation reserve on the retirement of asset. Had it been provided on the basis of generally accepted accounting principles, the Net Block and Reserves would have been lower by the same amount.

132.20 139.09

Assets revalued on 30.4.1987 have not been sold.

11.2 Depreciation on Leasehold Land has been depreciated @ 1% per annum straight line method

Net carrying amount of leasehold land is for ₹. 3.31 lacs and for leasehold Building is for ₹. 4.61 lacs as on 31.03.2014.

Factory Building includes Lease hold Building of ₹. 5.55 lacs.

Note No.	Particulars	As at 31.03.2014 ₹. in lacs	As at 31.03.2013 ₹. in lacs
12	Non Current Investment: (Other than Trade)		
(a)	In Equity Shares of Associate Company Quoted, Fully Paid up 55100 Shares in Sarda Plywood Industries Ltd. of ₹.10 each	23.39	23.39
(b)	In Equity Shares of Other Company Quoted, Fully Paid up 1500 Shares in Simplex Infrastructures Ltd. of ₹.10 each	0.13	0.13
	Unquoted, Fully Paid up 100 Shares in Pro Sports Management Ltd. of ₹.1000 each	1.00	1.00
(c)	Government Securities-Unquoted 7 Years' National Savings Certificate	0.13	0.13
		<u>24.65</u>	<u>24.65</u>
12.1	Aggregate market value of quoted investments ₹.9.29 lacs (Previous year ₹.10.75 lacs)		
12.2	Government Securities have been pledged with Central Excise and Sales Tax Authorities.		
12.3	Investments are valued at cost.		
13	Deferred Tax (Liabilities)/Assets (Net)		
	Deferred Tax		
	Provision for gratuity	13.70	(9.84)
	Provision for Loss carried forward	<u>358.50</u>	<u>(9.84)</u>
		<u>372.20</u>	<u>(9.84)</u>
	Deferred Tax Liability		
	Related to Fixed Assets	215.51	227.63
	Provision for unencashed leave	11.04	(11.12)
	Provision for diminution in value of long term investment	0.49	(0.49)
		<u>227.04</u>	<u>216.02</u>
	Net Deferred Tax (Liability) / Assets	<u>145.16</u>	<u>(225.86)</u>
14	Inventories (As taken, valued and certified by the Management)		
(a)	Raw Material		
	In Hand	248.33	204.21
	In Transit	41.54	12.12
(b)	Work-in-Progress	65.24	91.40
(c)	Finished Goods	354.00	237.12
	Add: Variation in Excise Duty on Opening & Closing Stock of Finished Goods	24.17	12.60
(d)	Stores, Spares & Loose Tools		
	In Hand	237.33	242.36
	In Transit	8.14	4.06
		<u>978.75</u>	<u>803.87</u>
13.1	Work-in-Progress have been valued at lower of cost or net realisable value.		
13.2	Finished Goods are valued at lower of cost of net realisable value.		
13.3	Stores & Spares and Loose Tools have been valued at cost.		
13.4	Raw Materials are valued at cost.		

Note No.	Particulars	As at	As at
		31.03.2014	31.03.2013
		₹. in lacs	₹. in lacs
15 Trade Receivables			
	(Unsecured considered Good unless otherwise stated)		
	(1) Debts Outstanding for a period exceeding six months from the date they are due	2.31	1.28
	(2) Other Debts	189.51	155.58
		<u>191.82</u>	<u>156.86</u>
16 Cash & Cash Equivalents			
	(a) Balance with Banks		
	In Fixed Deposits	10.39	9.72
	In Current Accounts	4.16	4.77
	(b) Cash in Hand	0.95	2.19
	(c) Cheque in Hand	4.64	2.08
		<u>20.14</u>	<u>18.76</u>
	16.1 Fixed Deposit of ₹.9.96 lacs held as Margin Money against Bank Guarantee/Letter of Credit (Previous Year ₹.9.29 lacs)		
	16.2 Fixed Deposit of ₹.0.43 lac pledged with Sales Tax Authorities (Previous Year ₹.0.43 lac)		
17 Short Term Loans & Advances			
	(Unsecured considered good unless otherwise stated and recoverable in cash or in kind for the value to be received)		
	(a) Loans and Advances		
	To Others		
	Advance to Parties	102.90	54.36
	Advance to Staff	1.07	0.97
	Advance to Others	139.98	128.06
	(b) Receivable from Revenue Authorities		
	Income Tax Deposit/Refund Receivable (Net)	9.46	8.84
	Sales Tax Deposit/Refund Receivable	0.26	0.29
	Balance with Central Excise Authorities	21.62	27.07
		<u>275.29</u>	<u>219.59</u>
18 Other Current Assets			
	Prepaid Expenses	8.48	7.54
	Interest Accrued but not due on Deposits	6.79	5.97
	Trade and Other Deposits	19.72	29.35
		<u>34.99</u>	<u>42.86</u>
		2013 - 14	2012 - 13
		₹. in lacs	₹. in lacs
19 Revenue from Operations			
	(a) Sale of Products	8489.47	7611.18
	Less: Inter-Divisional Transfer	723.81	657.10
		7765.66	6954.08
	(b) Less: Excise Duty	465.24	405.86
	Net Revenue from Operations	<u>7300.42</u>	<u>6548.22</u>
20 Other Income			
	(a) Interest Income	11.91	7.76
	(b) Dividend Income	0.02	0.03
	(c) Other Non-Operating Income	0.14	0.22
	(d) Liabilities no longer required written back	0	12.98
		<u>12.07</u>	<u>20.99</u>

Other Non-operating income consists of commodity gain and others.

	2013 - 14	2012 - 13		
	₹. in lacs	₹. in lacs		
21 Cost of Materials Consumed				
Purchases Raw Materials	2243.75	2291.42		
Add: Opening Balance of Stock	<u>119.64</u>	<u>40.38</u>		
	2363.39	2331.80		
Less: Closing Balance of Stock	<u>145.06</u>	<u>119.64</u>		
Consumption of Raw Materials	<u>2218.33</u>	<u>2212.16</u>		
21.1 Details of Raw Material consumed :				
A. Raw Materials consumed :	Qty. (MT)	Amount	Qty. (MT)	Amount
(i) Straw	34,607	755.83	33,115	665.65
(ii) Hosierly Cuttings/Jute Caddies	116	4.80	737	38.71
(iii) Waste Paper	6,409	1457.70	6,828	1507.80
(iv) Coal	49,593	<u>1223.98</u>	59,724	<u>1219.91</u>
		<u>3442.31</u>		<u>3432.07</u>
Coal consumption has been shown under Power & Fuel expenses (other expenses)				
B. Break-up of Raw Materials consumed:	%		%	
(i) Indigenious	90.36	3110.63	94.67	3249.20
(ii) Imported	<u>9.64</u>	<u>331.69</u>	<u>5.33</u>	<u>182.87</u>
	100	3442.32	100	3432.07
C. C.I.F. Value of Imports :				
(i) Raw Materials		231.23		179.28
22 Changes in Inventories				
Finished Goods				
At the Beginning of the Accounting Period		249.72		188.91
At the End of the Accounting Period		<u>378.16</u>		<u>249.73</u>
		<u>(128.44)</u>		<u>(60.82)</u>
Work-in-Progress				
At the Beginning of the Accounting Period		91.40		117.93
At the End of the Accounting Period		<u>65.24</u>		<u>91.40</u>
		<u>26.16</u>		<u>26.53</u>
Grand Total		<u>(102.28)</u>		<u>(34.29)</u>
23 Employee Benefits Expense				
Salary and Wages		468.22		433.43
Contribution to Provident Fund and Other Funds		76.80		77.36
Workers and Staff Welfare		<u>29.34</u>		<u>31.05</u>
		<u>574.36</u>		<u>541.84</u>
23.1 (a) Payments to and provision for employees include the following :				
Managerial Remuneration -				
Salary & Other Amenities		33.45		33.71
Contribution to Provident Fund and other Funds		<u>5.94</u>		<u>5.94</u>
		<u>39.39</u>		<u>39.65</u>
(b) Computation of net profit for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956				
23.2 The Company has adopted Accounting Standard 15 "Employee Benefits" of Companies (Accounting Standards) Rules, 2006, as amended by Companies (Accounting Standards) Amendment Rules, 2008 dated 27th March, 2008 with effect from 1st April, 2007.				

	2013 - 14	2012 - 13
	₹. in lacs	₹. in lacs

Defined Contribution Plan:

Employee benefits in the form of Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Pension Scheme and Labour Welfare Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as expense when employee have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year are as under:

Employers' Contribution to Provident Fund & Pension Fund	38.42	38.43
Employers' Contribution to Superannuation Fund	12.24	14.23

Defined Benefit Plan:

Post employment and other long-term employee benefits in the form of gratuity, sick leave and earned leave encashment are considered as defined obligation. The present defined value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service, cost and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the profit and loss account for the year ended 31st March, 2014 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2014 is as follows:

Amounts recognized in the Balance Sheet are as follows:	2013-14		2012-13	
	₹. in lacs		₹. in lacs	
	Gratuity	Leave	Gratuity	Leave
Present value of Defined Benefit obligation	201.30	35.73	192.55	35.98
Fair Value of Plan Assets	245.64	-	224.41	-
Fund Status {Surplus/(deficit)}	(44.34)	35.73	(31.86)	35.98
Unrecognized past service cost	-	-	-	-
Net (Asset)/Liability recognized in Balance Sheet	(44.34)	35.73	(31.86)	35.98

Amounts recognized in the Profit and Loss Account and charges to Contribution to Funds, Staff Welfare and Insurance Expenditure are as follows:

Current Service Cost	10.47	2.11	9.35	0.57
Past Service Cost	-	-	-	-
Interest on obligation	17.72	3.23	17.99	2.91
Expected return on Plan Assets	(21.15)	-	(20.91)	-
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Net Accrual Loss/(Gain)	1.89	3.88	3.69	3.90
Total Expenses recognized in Profit & Loss	8.93	9.22	10.12	7.38

Reconciliation of opening and closing balances of the present value of the obligations:

Opening defined benefit obligation	192.55	35.98	207.23	36.81
Acquisition Adjustment	-	-	-	-
Current Service cost	10.47	2.11	9.35	0.57
Past Service Cost	-	-	-	-
Interest cost	17.72	3.23	17.99	2.91

	2013 - 14		2012 - 13	
	₹. in lacs		₹. in lacs	
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Expected Return	-	-	-	-
Accrual Loss/(Gain)	0.03	3.88	3.46	3.90
Benefit Paid	(19.46)	(9.47)	(45.49)	(8.21)
Closing Benefit obligation	201.31	35.73	192.54	35.98
Change in Fair Value of Plan Asset				
Opening Fair value of Plan Assets	224.41	-	240.18	-
Acquisition Adjustment	-	-	-	-
Settlement Cost	-	-	-	-
Expected return on Plan Assets	21.15	-	20.91	-
Actual company contribution	21.42	9.47	9.04	8.21
Benefits Paid	(19.46)	(9.47)	(45.49)	(8.21)
Accrual Loss/(Gain)	(1.87)	-	(0.23)	-
Planned Asset at the end of the year	245.65	-	224.41	-
Actual Return of Planned Assets (Amount)	21.15		20.91	
Actuarial Assumptions				
Discount Rate (per Annum) (%)	8.25	8.25	8.25	8.25
Expected rate of return on Plan Assets (per Annum)	9.00	NA	9.00	NA
Salary Increases (%)	5.00	5.00	5.00	5.00
Retirement / Superannuation Age	58		58	
Mortality	LICI		LICI	
Major Categories of Plan Assets as a percentage of fair value of the total plan assets:				
Insurance managed Funds	100%		100%	
Basis used to determine the Expected Rate of Return on Plan Assets :				
The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.				
Basis of estimates of rate escalation in salary				
The estimates of rate escalation in salary considered in actuarial valuation has taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The Gratuity Expenses have been recognized in "Contribution to Provident & Other Funds" and provision for Leave in "Salaries, Wages, Bonus and other amenities" under Schedule 17.				
24	Finance Costs			
(a)	Interest Expense			
	Interest to Bank	44.13		53.79
	Interest to Parties/Distributors	14.82		14.79
	Interest to Depositors	93.72		82.66
	Interest to Bank on Vehicle Loan	0.62		0.39
	Interest to Others	0.43		0.75
(b)	Other Finance Charges	1.95		1.95
		155.67		154.33

	2013 - 14	2012 - 13
	₹. in lacs	₹. in lacs
25	Depreciation and Amortization Expense	
	Depreciation	212.06
	Less : Transferred to revaluation reserve (Refer Note 3.1)	9.64
	<u>208.72</u>	<u>212.06</u>
	<u>201.83</u>	<u>202.42</u>
26	Other Expenses	
(a)	Manufacturing Expense	
	Stores and Spare Parts	62.12
	Power and Fuel	1346.51
	Repair to Machinery	256.06
	Repair to Building	43.20
	Dyes and Chemicals	1517.78
	<u>1576.85</u>	<u>1517.78</u>
	<u>3454.32</u>	<u>3225.67</u>
(b)	Administrative Expense	
	Bank Charges	1.24
	Cash Discount	109.60
	Donation	0.12
	Subscription/Membership Fee	8.25
	General Expenses	9.98
	Interest on TDS and Other Taxes	0.14
	Insurance	10.39
	Legal and Professional Expenses	47.29
	Loss on Sale of Fixed Assets/Raw Material	6.79
	Newspaper and Periodicals	0.18
	Prior Period Expenses	1.51
	Payment to the Auditors	2.00
	Printing and Stationery	2.66
	Rent	9.30
	Rates and Taxes	116.32
	Repair to Other	37.48
	Watch and Ward Expenses	19.67
	Postage, Courier and Telephone Expenses	7.73
	Travelling Expenses	22.24
	(Including Directors' ₹.9.02 lacs; Previous Year ₹.13.00 lacs)	
	Vehicle Running Expenses	29.26
	Miscellaneous Expenses	23.13
	<u>23.77</u>	<u>23.13</u>
	<u>525.22</u>	<u>465.28</u>
(c)	Selling and Distribution Expense	
	Advertisement and Publicity Expenses	5.11
	Selling and Promotional Expenses	4.76
	Freight and Cartage (Outward)	126.50
	Packing Expenses	161.90
	Sales Commission and Incentives	79.69
	Sales Tax	18.66
	<u>8.95</u>	<u>18.66</u>
	<u>428.44</u>	<u>396.62</u>
	Grand Total	4087.57
	4407.98	4087.57
26.1	Break-up of Dyes, Chemicals and Stores & Spares consumed :	
	%	%
	(i) Indigenous	1576.66
	(ii) Imported	1.69
	<u>99.67</u>	<u>99.89</u>
	<u>0.33</u>	<u>0.11</u>
	<u>100</u>	<u>100</u>
	<u>1,652.33</u>	<u>1,578.35</u>
26.2	C.I.F. Value of Imports :	
	Spare Parts	3.18
	3.88	3.18
26.3	Expenditure in Foreign Currency :	
	Travelling	7.76
	Others	1.92
	2.64	7.76
	1.81	1.92

	2013 - 14 ₹. in lacs	2012 - 13 ₹. in lacs
26.4 Miscellaneous Expenses includes :		
(i) Auditors' Remuneration :		
As Audit Fees	0.75	0.75
In Other Capacity-		
For Tax Audit	0.25	0.25
(ii) Cost Auditors' Remuneration	0.40	0.40
(iii) Internal Auditors' Remuneration	0.60	0.60
(iv) Directors' Sitting Fees	1.63	1.70
27 Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets:		
(a) No provision for Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.		
(b) The Contingent liabilities mentioned in Sl.No.27(c) are dependent upon Court decision/out of court settlement/disposal of appeals etc.		
(c) Demand raised by Government Authorities in respect of Taxes and Duties and contested by the Company. (Out of ₹.54.94 lacs, Company has already deposited ₹.3.84 lacs)	54.94	246.97
(d) Guarantee issued by Company's bankers on behalf of the Company (Margin money of ₹.9.96 lacs (₹.9.29 lcs)	27.87	27.87
28 Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for.	-	-
29 Segment information as per Accounting Standard - 17 on 'Segment Reporting : The Company has identified two business segments viz. Paper and Power, taking into account the nature of the products, the differing risks and returns, the organisational structure & internal business reporting system.		
(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been disclosed as "Unallocable".		
(b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis, have been disclosed as "Unallocable".		
(c) Information about Business Segment :		
i. Segment Revenue (Sales)		
(a) Paper	7,300.42	6,548.22
(b) Co-generation -Power Division	723.81	657.10
Total	8,024.23	7,205.32
Less: Inter Segment Revenue sales	723.81	657.10
	<u>7,300.42</u>	<u>6,548.22</u>
ii. Segment Result (Profit before tax & Interest and Finance charges)		
(a) Paper	94.97	(371.12)
(b) Co-generation -Power Division	(52.04)	(41.61)
Total	42.93	(412.73)
Less: i) Interest & Finance charges	155.67	154.33
ii) Other un-allocated expenditure net of unallocated income	30.66	27.76
Total Profit before Tax	<u>(143.40)</u>	<u>(594.82)</u>

	2013 - 14	2012 - 13
	₹. in lacs	₹. in lacs
iii. Segment Assets		
(a) Paper	3,036.10	2,964.80
(b) Co-generation -Power Division	899.06	913.03
(c) Unallocated	34.11	33.49
Total	<u>3,969.27</u>	<u>3,911.32</u>
iv. Segment Liabilities		
(a) Paper	1,182.79	972.02
(b) Co-generation -Power Division	55.06	69.27
(c) Unallocated	1,421.03	1,780.37
Total	<u>2,658.88</u>	<u>2,821.66</u>
v. Capital Expenditure	7.61	65.94
vi. Depreciation	201.83	202.42
(d) The geographical location of Segments is in India only.		
30 Earning per Share (EPS)		
(a) Net profit available for equity shareholders (Numerator used for calculation)	227.62	(583.26)
(b) Number of equity shares used as denominator for calculating EPS.	3,410,000	3,410,000
(c) Weighted average number of equity shares used as denominator for calculating EPS.	3,410,000	3,410,000
(d) Nominal Value per share (₹)	10	10
(e) Basic Earning per share (₹)	6.67	(17.10)
(f) Diluted Earning per share (₹)	6.67	(17.10)
31 (a) Income tax assessments have been completed upto assessment year 2011-12 and refunds have been shown as net provision of taxes, if any.		
(b) The benefit of Income tax exemption under section 80 IA is available with respect to Co-generation power division. The company has opted to avail this benefit from the financial year 2005-06.		
32 Related party disclosure		
(a) List of related parties		
(i) Associates	: Pro Sports Management Ltd : Poushali Sales Pvt Ltd. : Sarda Plywood Industries Ltd	
(ii) Key Management Personnel	: Sri J Chittlangia (Managing Director)	
(b) Transaction		
Income :		
Rent Received		
Sarda Plywood Industries Ltd	0.12	0.12
Expenditure		
Purchase		
Sarda Plywood Industries Ltd	0.08	-
Rent Paid		
Sarda Plywood Industries Ltd	0.06	0.06

	2013 - 14	2012 - 13
	₹. in lacs	₹. in lacs
Interest Paid		
Poushali Sales Pvt Ltd	80.47	65.40
Paid to Sri J Chitlangia		
Salary & Other Amenities	33.45	33.71
Contribution to Provident Fund and other Funds	5.94	5.94
	<u>39.39</u>	<u>39.65</u>
(c) Finance & Investment		
Loan Paid (net)		
Poushali Sales Pvt Ltd	(127.97)	(61.41)
Loan Received (net)		
Poushali Sales Pvt Ltd	38.79	166.14
(d) Balance Outstanding at year end : Net Loan paid (+)/Received(-)		
Loan Payable		
Poushali Sales Pvt Ltd	606.46	630.25
Interest Payable(net)		
Poushali Sales Pvt Ltd	80.47	65.40
Investment in Shares		
Sarda Plywood Industries Ltd	23.39	23.39
Pro Sports Management Ltd	1.00	1.00

33 Disclosure under clause 32 of the Listing Agreement:

There are no transactions (except related party transactions) which are required to be disclosed under clause 32 of the Listing Agreement with the stock exchange where the Equity Shares of the Company are listed.

34 Figures of the previous year have been re-grouped and/or re-arranged wherever necessary to make them comparable with those of the current year.

As per our report of even date.

For MURARI AGRAWAL & CO.
Chartered Accountants

JAYDEEP CHITLANGIA
Managing Director

S. M. AGRAWAL
Partner
(M.No. 53923)

V. K. KHANNA
President &
Company Secretary

R.L. KAPUR
Director

Kolkata : 27th May, 2014.