

## **Madhya Bharat Papers Limited**

### **Board of Directors**

Shri Rajeev Ginodia (upto 12.08.2014)  
Shri Jayant N Godbole (upto 12.08.2014)  
Shri Raghuvansh Lal Kapur  
Smt. Deepa Maheshwari (from 07.11.2014)  
Shri Abhas Sen  
Shri Jaydeep Chitlangia  
(*Managing Director*)  
Shri Vinod Kumar Khanna (from 13.08.2015)  
(*Wholetime Director &  
Company Secretary*)

### **Chief Financial Officer**

Shri Jagdish Dua

### **Auditors**

Sawarmal Agrawal & Co.

### **Principal Banker**

State Bank of India

### **Regd.Office and Mills**

Village Birgahni  
Rly.& Post Champa-495 671  
Dist. Janjgir-Champa  
Chhattisgarh  
CIN : L21012CT1980PLC001682

### **Head Office**

113, Park Street  
(4<sup>th</sup> Floor, North Block)  
Kolkata-700 016

# Madhya Bharat Papers Limited

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2015.

### Financial Results

(₹. in lacs)

	2014-15		2013-14	
Profit/(Loss) before Depreciation & Tax		<b>(545.20)</b>		<b>58.85</b>
Less: Depreciation	110.28		201.83	
Adjustment for earlier years	7.26		0.42	
Provision for taxation - Earlier years	1.58		-	
Deferred Tax liability/assets	<u>(240.65)</u>	<u>(121.53)</u>	<u>(371.02)</u>	<u>(168.77)</u>
Net Profit/(Loss)		<b>(423.67)</b>		<b>227.62</b>
Add : Balance Brought Forward from Previous year		<u>(225.83)</u>		<u>(453.45)</u>
Balance Carried Forward		<b>(649.50)</b>		<b>(225.83)</b>

### Operations/State of Company's Affairs & Future Outlook

The Company has faced lot of difficulties in the current year from slow demand of paper and mainly environmental restrictions in the paper industry, particularly in the segment of operation, which has resulted into a loss of ₹.662.75 lacs before tax adjustments (previous year loss of ₹.143.40 lacs).

The production during the year was 12667 tonnes (16042 tonnes previous year) due to curtailment of operations arisen out of environmental restrictions.

### Changes in the Nature of Business, if any

No Change in the nature of the business of the Company done during the year.

### Dividend

In absence of profit, your Directors are unable to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2015.

### Reserves

Due to inadequacy of profit, no general reserve is created for the year ended 31<sup>st</sup> March, 2015.

### Share Capital

The paid up equity share capital as on 31<sup>st</sup> March, 2015 was Rs.3.41 crores. During the year under review the Company has not issued any shares or any convertible instruments.

### Borrowings

The total borrowing stood at ₹.1467.70 lacs as at 31<sup>st</sup> March, 2015 as against ₹.1561.84 lacs as on 31<sup>st</sup> March, 2014, decrease of ₹.94.14 lacs.

### Deposits

The Company has not accepted any deposits from public, and as such, there are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 2014.

### Directors

At the 34<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2014 the Company had appointed existing Director Shri Abhas Sen (DIN: 0145062) as Independent Director under the Companies Act, 2013 for 5 consecutive years upto conclusion of the 39<sup>th</sup> Annual General Meeting to be held in the year 2019.

The Companies Act, 2013 requires that a Woman Director should be member of the Board of Directors and accordingly, Smt. Deepa Maheshwari (DIN: 00550697) has been appointed as Additional Director of the Company pursuant to section 161 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with effect from 07.11.2014 to hold office until conclusion of the forthcoming Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose Smt. Deepa Maheshwari as a candidate for the office as Director of the Company.



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Shri Vinod Kumar Khanna (DIN: 00123393), President & Company Secretary, acting as whole-time Key Managerial Personnel under section 203 of the Companies Act, 2013 was inducted into the Board on 13.08.2015 to hold office until conclusion of the forthcoming Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose Shri Vinod Kumar Khanna as a candidate for the office as Director of the Company.

Shri R.L. Kapur (DIN: 00002483), Director of the Company, is being appointed as Independent Director for five consecutive years upto the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in the year 2020 as per provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013.

S/Shri Jayant N Godbole and Rajeev Ginodia, who were associated with the Company as Directors from 25.07.2007 and 30.07.2008 respectively, have resigned from the Board of the Company with effect from 13.08.2014. Your Company places on record its appreciation for the valuable services rendered by Shri Jayant N. Godbole and Shri Rajeev Ginodia as Directors.

#### **Declaration Given by Independent Director under Section 146(6)**

All Independent Directors have given the declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of Listing Agreement.

#### **Board Meetings**

During the year under review, four Board Meetings were convened and held. The details of which are given in Corporate Government Report. The provisions of Companies Act, 2013 and Listing Agreement were adhered to while considering the time gap between two meetings.

#### **Annual Evaluation**

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committees.

#### **Managerial Remuneration**

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) and details of the every employee of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "Annexure-1" and forms a part of this Report of the Directors.

#### **Key Managerial Personnel**

The following three personnel were formally appointed as Key Managerial Personnel of the Company effective from April 1, 2014 in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Shri Jaydeep Chitlangia
- b) Shri Vinod Kumar Khanna
- c) Shri Jagdish Dua

Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2015 are mentioned in the Extract of Annual Return Form MGT-9 which is attached as "Annexure-2" and forms a part of this Report of the Directors.

#### **Audit Committee**

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange. The Members of the Committee are Shri Abhas Sen as Chairman and Shri R.L. Kapur and Smt. Deepa Maheshwari as Members, all are Independent Directors. The Company Secretary is the Secretary of this Committee. The Managing Director, Statutory Auditors and Internal Auditors are permanent invitees to the meeting. The details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

The terms of reference along with details of the number and dates of meetings of this Committee which were held during the year ended March 31, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

#### **Particulars of Contracts or Arrangements made with Related Party**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

## **Madhya Bharat Papers Limited**

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All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The detail of the policy on Related Party Transactions as approved by the Board of Directors and Audit Committee is available on the Company's website [www.mbpl.in](http://www.mbpl.in).

### **Details of Vigil Mechanism / Whistle Blower Policy**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the company has adopted vigil mechanism policy. The detail of the policy is available on the Company's website [www.mbpl.in](http://www.mbpl.in).

### **Particulars of Loans, Guarantees or Investments**

It is the Company's policy not to give loans directly, or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or give any guarantee or provide any security in connection with a loan to any other body corporate or person. The Company does not make any new investment in securities of any other body corporate.

### **Nomination & Remuneration Committee**

The Company has in place the Remuneration Committee and to comply with the requirements of the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges, the name of the Committee was changed to Nomination and Remuneration Committee effective from 27<sup>th</sup> May 2014. The Members of the Committee are Shri Abhas Sen as Chairman and Shri R.L. Kapur and Smt. Deepa Maheshwari as Members, all are Independent Directors. The Company Secretary is the Secretary of this Committee.

The terms of reference and the details of number and dates of meetings of this Committee which were held during the year ended 31<sup>st</sup> March, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

### **Remuneration Policy**

The Company has formulated a policy on director's selection and appointment, payment of remuneration, directors qualifications, positive attributes, independence of directors, selection and appraisal of performance of Key Managerial Personnel and Senior Management and their remuneration and other related matters as applicable under Section 178(3) of the Companies Act, 2013. The Company's Criteria for payment of remuneration to the Non Executive directors and Familiarization Programme undertaken for Independent Directors are available on the Company's website [www.mbpl.in](http://www.mbpl.in) and the Remuneration Policy is separately attached as "Annexure-3" and forms a part of this Report of the Directors.

### **Stakeholders Relationship Committee**

The Shareholders' / Investors' Grievance Committee was constituted by the Company and to comply with the requirements of the Companies Act, 2013 and the Listing Agreements with the Stock Exchange, the name of the Committee was changed to Stakeholders Relationship Committee effective from 27<sup>th</sup> May 2014. The Members of the Committee are Shri Abhas Sen as Chairman and Shri R.L. Kapur and Shri Jaydeep Chitlangia as Member, majority of the members are Independent Directors. The Company Secretary is the Secretary of this Committee.

The terms of reference and details of the number and dates of meetings of this Committee which were held during the year ended 31<sup>st</sup> March, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

### **Risk Management**

The Company's policy on risk management includes identifying types of risk and its assessment, risk handling as well as risk monitoring and reporting.

The detail of the policy as approved by the Board of Directors is available on the Company's website [www.mbpl.in](http://www.mbpl.in).

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



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- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year on that date;
  - (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (iv) That the Directors have prepared the accounts for the year ended 31<sup>st</sup> March 2015 on a 'going concern' basis.
  - (v) That proper internal financial control was in place and that the financial controls were adequate and were operating effectively. In this regard, your Board confirms the following:
    - (a) Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There well-laid manuals for such general or specific authorization.
    - (b) Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects.
    - (c) Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted
    - (d) The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
  - (vi) That proper system implemented to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

#### **Corporate Governance**

The Company has in place the SEBI guidelines pertaining to Corporate Governance. During the year under consideration the Company had a four member Board of Directors consisting of three Independent Directors including one Woman Director and one Managing Director.

The Independent Directors received sitting fees for attending the Board and Committee meetings of the Directors. The sitting fees paid to the directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

The Corporate Governance Report giving the details as required under Clause 49 of the Listing Agreement with the Stock Exchange as given separately as "Annexure-4" and forms part of this Report of the Directors.

The Corporate Governance Certificate for the year ended 31<sup>st</sup> March, 2015 issued by M/s. Sawarmal Agrawal & Co., Statutory Auditors of the Company, is also attached as "Annexure-5" and forms a part of this Report of the Directors.

The Company has in place an Insider Trading Code for compliance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations 1992. Shri Vinod Kumar Khanna, President & Company Secretary is the Compliance Officer responsible for compliance with the Insider Trading procedures. Details of securities transactions by insiders are placed before the Board of Directors of the Company and also notified to the Stock Exchange.

Shri Jaydeep Chitlangia, Managing Director and Shri Jagdish Dua, CFO has given their certificate under Clause 49(IX) of the Listing Agreement with the Stock Exchange regarding the annual financial statements for the year ended 31<sup>st</sup> March, 2015 to the Board of Directors. The Managing Director has given his certificate under Clause 49 (II)(E) of the Listing Agreement with the Stock Exchanges regarding compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2015, which is attached as "Annexure-6" and forms a part of this Report of the Directors.

#### **Auditors**

##### **Statutory Auditors**

M/s Sawarmal Agrawal & Co. (Firm Registration No.318164E), Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. There are no qualifications or observations or remarks made by the Auditors in their Report.

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### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A. K. Labh & Co, Practicing Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Auditor's Report is attached as "Annexure-7" and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Auditors in their Report.

### **Investor Education & Protection Fund**

The provisions of Section 125(2) of the Companies Act, 2013 do not applicable for the Company as there was no dividend declared and paid in the last financial year.

### **Stock Exchange Listing**

The Equity Shares of the Company are listed at the Calcutta Stock Exchange Limited. The Company confirms payment of listing fee to the Calcutta Stock Exchange Limited for the year 2015-2016. As per SEBI circular dated 30.05.2012, Madhya Pradesh Stock Exchange Ltd. has been de-recognized and hence the listing of the shares of the Company with the said Stock Exchange has ceased.

### **Business Responsibility Reporting**

The provisions of Clause 55 of the Listing Agreement with the Stock Exchanges are not applicable to the Company and therefore the company has not undertaken business Responsibility Reporting.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo**

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8 of the Companies (Accounts) Rules, 2014 are set out in "Annexure-8" forming part of this Report of the Directors.

### **Extract of Annual Return**

The details as required under Section 92(3) of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form No. MGT-9 are attached separately as "Annexure-2" and forms part of this Report of the Directors".

### **Material Changes and Commitments, if any, Affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report**

No material changes and commitments affecting the financial position of the Company occurred during the year ended 31<sup>st</sup> March, 2015.

### **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report are separately attached as "Annexure-9" and forms part of this Report of the Directors.

### **Subsidiary, Joint Ventures & Associate Companies**

Pro Sports Management Limited is the Associate of the Company and there is no other subsidiary or joint venture company.

### **Acknowledgement**

Your Directors gratefully acknowledge and express their appreciation for the continued support extended by the banks, customers, suppliers, shareholders and for the services rendered by the employees and workers.

On behalf of the Board

### **Regd. Office:**

Village Birgahni,  
Rly & Post Champa-495 671,  
Dist. Janjgir-Champa  
Chhattisgarh.  
CIN: L21012CT1980PLC001682  
Dated: 13<sup>th</sup> August, 2015

**R.L. KAPUR**  
*Director*

**JAYDEEP CHITLANGIA**  
*Managing Director*



## Particulars of Remuneration

<b>Requirement of Rule 5(1)</b>	<b>Details</b>
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year	: <b>Non Executive Directors*</b> Shri Abhas Sen : 0.32 Shri Raghuvash Lal Kapur : 0.32 Shri Jayant N Godbole : 0.09 Smt. Deepa Maheshwari : 0.08 <b>Executive Director</b> Shri Jaydeep Chitlangia : 15.73
*only sitting fee paid for attending Board/Committee meeting.	
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	: Non Executive Directors : Nil Managing Director : (9.09%) Company Secretary : 0.79% Chief Financial Officer : 8.27%
(iii) The percentage increase in the median remuneration of employees in the financial year	: There is no increase in the median remuneration of its employees.
(iv) The number of permanent employees on the rolls of the Company	: 287 permanent employees as on March 31, 2015
(v) The explanation on the relationship between average increase in remuneration and company performance	: During the year the Company incurred a loss of Rs. 423.67 lacs against profit of Rs. 227.62 lacs in the previous year and there is no increase in remuneration.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	: There is no increase in remuneration of KMP except CFO who has been promoted with effect from 01.04.2014.
(vii) Variation in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decreases over market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	: There was no trading in the shares of the Company during the last financial year as well as during current year and also there was no public issue or right issue of its securities in the last 30 years. Hence no comparison is made.
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	: There is no increase in remuneration except CFO who has been promoted with effect from 01.04.2014.
(ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the company	: The performance is lower compared with previous year and there is no overall increase in remuneration.
(x) The key parameters for any variable component of remuneration availed by the directors	: No variable component of remuneration paid to the Directors. For non-executive directors sitting fee is paid on the basis of attending the number of Board and Committee meetings.
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	: None
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company	: Remuneration paid during the year is as per the Remuneration Policy of the Company.

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### PARTICULAR OF EMPLOYEES PERTAINING TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

<b>(A) Person who are in receipt of remuneration aggregating not less than Rs.60,00,000 per annum and employed throughout the financial year:</b>								
Name	Age	No of Shares	Designation/	Gross Remuneration	Qualification	Experience	Date of Commencement of employment	Previous employment & position held
NIL								
<b>(B) Person who are in receipt of remuneration aggregating not less than Rs.5,00,000 per month and employed for part of the financial year:</b>								
NIL								

## Form No. MGT-9

Annexure – 2

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> 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:

- i) CIN : L21012CT1980PLC001682
- ii) Registration Date : 14<sup>th</sup> November, 1980
- iii) Name of the Company : MADHYA BHARAT PAPERS LIMITEED
- iv) Category/Sub-Category of the Company : Company Limited by Share
- v) Address of the Registered office and contact details : P.O. Champa, Dist. Jajgir-Champa-495 671 Chhattisgarh. Phone: (07819) 245050
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata-700001 Phone: (033) 2243 5029

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10% or more of the total turnover of the company)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Writing & Printing Paper	1701	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES :-

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pro-Sports Management Limited 113, Park Street, North Block, 4 <sup>th</sup> Floor, Kolkata – 700 016	U74999WB1991PLC0 53359	Associate	20	2(6)





#### 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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	1886237	16500	1902737	55.7987	1902737	-	1902737	55.7987	-
b) Central Government									
c) State Government									
d) Bodies Corporate	45400	-	45400	1.3314	45400	-	45400	1.3314	-
e) Banks / Financial Institutions									
f) Any Other									
<b>Sub-Total (A) (1)</b>	<b>1931637</b>	<b>16500</b>	<b>1948137</b>	<b>57.1301</b>	<b>1948137</b>	<b>-</b>	<b>1948137</b>	<b>57.1301</b>	<b>-</b>
(2) <b>Foreign</b>									
NRIs-Individuals									
Other-Individuals									
Bodies Corporate									
Banks / Financial Institutions									
Any Other (Specify)									
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)</b>									
<b>(A) =(A)(1)+(A)(2)</b>	<b>1931637</b>	<b>16500</b>	<b>1948137</b>	<b>57.1301</b>	<b>1948137</b>	<b>-</b>	<b>1948137</b>	<b>57.1301</b>	<b>-</b>
<b>B. Public Shareholding</b>									
(1) <b>Institutions</b>									
a) Mutual Funds									
b) Banks / Financial Institutions	1255856	-	1255856	36.8286	1255856	-	1255856	36.8286	
c) Central Government(s)									
d) State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B) (1)</b>	<b>1255856</b>	<b>-</b>	<b>1255856</b>	<b>36.8286</b>	<b>1255856</b>	<b>-</b>	<b>1255856</b>	<b>36.8286</b>	<b>-</b>
(2) <b>Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	62700	16600	79300	2.3255	63700	16600	80300	2.3548	1.2453
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	25499	60008	85507	2.5075	24649	59858	84507	2.4782	(1.1833)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	41200	-	41200	1.2082	41200	-	41200	1.2082	-
c) Others (specify)									
1. Non Resident Indians									
2. Clearing Member									
3. OCB									
4. Trust									
5. Foreign Portfolio Investor									
<b>Sub-total(B) (2)</b>	<b>129399</b>	<b>76608</b>	<b>206007</b>	<b>6.0413</b>	<b>129549</b>	<b>76458</b>	<b>206007</b>	<b>6.0413</b>	<b>-</b>
<b>Total Public Shareholding (B)</b>									
<b>(B) = (B) (1) + (B) (2)</b>	<b>1385255</b>	<b>76608</b>	<b>1461863</b>	<b>42.8699</b>	<b>1385405</b>	<b>76458</b>	<b>1461863</b>	<b>42.8699</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>3316892</b>	<b>93108</b>	<b>3410000</b>	<b>100</b>	<b>3333542</b>	<b>76458</b>	<b>3410000</b>	<b>100</b>	<b>-</b>

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### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of 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	Sudeep Chitlangia	490000	14.3695	-	490000	14.3695	-	-
2	Jaydeep Chitlangia	430000	12.6100	-	430000	12.6100	-	-
3	Sheela Chitlangia	274737	8.0568	-	274737	8.0568	-	-
4	Archana Chitlangia	250000	7.3314	-	250000	7.3314	-	-
5	Nikhilesh Chitlangia	190000	5.5718	-	190000	5.5718	-	-
6	Shreya Chitlangia	85000	2.4929	-	85000	2.4927	-	-
7	Radheshyam Chitlangia (HUF)	80000	2.3460	-	80000	2.3460	-	-
8	Akhilesh Chitlangia	50000	1.4663	-	50000	1.4663	-	-
9	Abhishek Chitlangia	43500	1.2757	-	43500	1.4757	-	-
10	Sunita Chitlangia	9500	0.2786	-	9500	0.2786	-	-
11	Chitlangia Medical Society	45400	1.3314	-	45400	1.3314	-	-
	<b>Total</b>	<b>1948137</b>	<b>57.1301</b>	<b>-</b>	<b>1948137</b>	<b>57.1301</b>	<b>-</b>	<b>-</b>

### iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Sudeep Chitlangia</b> At the beginning of the year At the end of the year	490000	14.3695	490000 490000	14.3695 14.3695
2	<b>Jaydeep Chitlangia</b> At the beginning of the year At the end of the year	430000	12.6100	430000 430000	12.6100 12.6100
3	<b>Sheela Chitlangia</b> At the beginning of the year At the end of the year	274737	8.0568	274737 274737	8.0568 8.0568
4	<b>Archana Chitlangia</b> At the beginning of the year At the end of the year	250000	7.3314	250000 250000	7.3314 7.3314
5	<b>Nikhilesh Chitlangia</b> At the beginning of the year At the end of the year	190000	5.5718	190000 190000	5.5718 5.5718
6	<b>Shreya Chitlangia</b> At the beginning of the year At the end of the year	85000	2.4927	85000 85000	2.4927 2.4927



Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	<b>Radheshyam Chitlangia (HUF)</b> At the beginning of the year At the end of the year	80000	2.3460	80000 80000	2.3460 2.3460
8	<b>Akhilesh Chitlangia</b> At the beginning of the year At the end of the year	50000	1.4663	50000 50000	1.4663 1.4663
9	<b>Chitlangia Medical Society</b> At the beginning of the year At the end of the year	45400	1.3314	45400 45400	1.3314 1.3314
10	<b>Abhishek Chitlangia</b> At the beginning of the year At the end of the year	43500	1.2757	43500 43500	1.2757 1.2757
11	<b>Sunita Chitlangia</b> At the beginning of the year At the end of the year	9500	0.2786	9500 9500	0.2786 0.2786

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>IDBI Bank Ltd.</b> At the beginning of the year At the end of the year	562937	16.5084	562937 562937	16.5084 16.5084
2	<b>IFCI Ltd.</b> At the beginning of the year At the end of the year	277436	8.1360	277436 277436	8.1360 8.1360
3	<b>ICICI Bank Ltd.</b> At the beginning of the year At the end of the year	227150	6.6613	227150 227150	6.6613 6.6613
4	<b>State Bank of India</b> At the beginning of the year At the end of the year	136515	4.0034	136515 136515	4.0034 4.0034
5	<b>Swarn Ganga Trading Pvt.Ltd.</b> At the beginning of the year At the end of the year	48700	1.4282	48700 48700	1.4282 1.4282
6	<b>Urmila Desai</b> At the beginning of the year At the end of the year	41200	1.2082	41200 41200	1.2802 1.2802
7	<b>Bank of Baroda</b> At the beginning of the year At the end of the year	29628	0.8689	29628 29628	0.8689 0.8689

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	<b>Punjab National Bank</b>				
	At the beginning of the year	22190	0.6507	22190	0.6507
	At the end of the year			22190	0.6507
9	<b>Steadfast Commercial Co.Ltd.</b>				
	At the beginning of the year	15000	0.4399	15000	0.4399
	At the end of the year			15000	0.4399
10	<b>Gopaldas Bagree</b>				
	At the beginning of the year	10000	0.2933	10000	0.2933
	At the end of the year			10000	0.2933

### v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Shri Jaydeep Chitlangia</b>				
	a) At the beginning of the year	430000	12.6100	430000	12.6100
	b) Changes during the year	-	-	-	-
	c) At the end of the year			430000	12.6100
2	<b>Smt. Deepa Maheshwari</b>				
	a) At the beginning of the year	500	0.0147	500	0.0147
	b) Changes during the year	-	-	-	-
	c) At the end of the year			500	0.0147
3	<b>Shri Abhas Sen</b>				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
4	<b>Shri Raghuvansh Lal Kapur</b>				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-

#### Details of Key Managerial Personnel (KMP)

1	<b>Shri Vinod Kumar Khanna</b>				
	a) At the beginning of the year	850	0.0249	850	0.0249
	b) Changes during the year	-	-	-	-
	c) At the end of the year			850	0.0249
2	<b>Shri Jagdish Dua</b>				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-



## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	466.17	1091.67	-	1557.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6.75	-	6.75
<b>Total (i + ii + iii)</b>	466.17	1098.42	-	1564.59
<b>Change in Indebtedness during the financial year-</b>				
- Addition	-	404.96	-	404.96
- Reduction	69.57	427.56	-	497.13
<b>Net Change</b>	(69.57)	(22.61)	-	(92.18)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	396.60	1014.36	-	1410.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	61.45	-	61.45
<b>Total (i + ii + iii)</b>	396.60	1075.81	-	1472.41

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Jaydeep Chitlangia, Managing Director	Total Amount
1	Gross Salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3000000	3000000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32400	32400
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit		
	- others, specify	Nil	Nil
5.	Others, please specify – Club membership	13632	13632
	<b>Total (A)</b>	<b>3046032</b>	<b>3046032</b>
	<b>Ceiling as per the Act</b>		<b>4200000</b>

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### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri Abhas Sen	Sri Raghuvansh Lal Kapur	Smt. Deepa Maheshwari	Sri Jayant N.Godbole	
1	Independent Directors Fee for attending board/ committee meetings	70000	70000	17500	20000	177500
	<b>Total (1)</b>	70000	70000	17500	20000	177500
2	Other Non-Executive Directors Fee for attending board/ committee meetings, commission others, please specify	N.A	N.A	N.A	N.A	Nil
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) – (1+2)</b>	70000	70000	17500	20000	177500
	Total Managerial Remuneration	-	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	<b>100000</b>	<b>100000</b>	<b>100000</b>	<b>100000</b>	<b>400000</b>

### C. Remuneration to KEY Managerial Personnel other than MD/ Manager/ WTD:

Sl. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Vinod Kumar Khanna, Company Secretary	Jagdish Dua, CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1937400	615000	2552400
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	232488	363225	595713
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	– as % of profit			
	– others, specify...			
5.	Others, please specify:	NIL	NIL	NIL
	<b>Total</b>	2169888	978225	3148113

### 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**Remuneration Policy:**

**a) Remuneration Policy for Non Executive Directors/ Independent Directors**

Levels of remuneration to directors are determined such that they attract, retain and motivate directors of the quality and ability required to run the company successfully. With changes in the corporate governance norms, the role of the Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time.

Under the Equity Listing Agreement, Clause 49(VIII)(C)(3) requires, every company to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company's website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and Clause 49(II)(C) require the prior approval of the shareholders of a company for making payment to its NEDs.

Further, in order to be consistent with globally accepted governance practices, the company has ushered in flexibility in respect of payment of remuneration to NEDs. It has linked the remuneration paid to NEDs to their attendance at the meetings of the Board or Committees thereof, their contributions at the meetings or otherwise, and on their position in various Committees of the Board, whether as the Chairman or Member.

All board level compensation (including to the NEDs) is approved by the shareholders and disclosed separately in the financial statements. Appropriate disclosures are also made in the Annual Report of the company. The board approves the commission paid to the directors.

In addition, the company also pays a sitting fee on a per meeting basis to the NEDs for attending the meetings of the board and other committees.

**b) Remuneration Policy for Executive Directors**

The remuneration policy for the executive directors has been formulated, considering the following key principles including but not limited to the basic principle to have long term relationship with the Company:

**Key Principles:**

- Linked to strategy: A substantial portion of the executive director's remuneration is linked to success in developing and implementing the Company's strategy.
- Performance related: A part of the total remuneration varies with performance, aligning with the shareholder's interest.
- Long term: The structure of remuneration is designed to reflect the long term nature of the Company and significance of the protection of interest of the shareholders.
- Fair treatment: Total overall remuneration takes account of both the external market and company's condition to achieve a balanced "fair outcome".

**Elements of the Remuneration structure of Executive Directors:**

The remuneration to key managerial personnel shall include:

- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice and industry analysis.

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

The remuneration to any one Managing Director or Whole Time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director total remuneration shall not exceed ten percent of the net profits of the Company to all such directors and Manager together.

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The total remuneration to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that financial year.

In case of no profits, or inadequate profits, the Company shall pay remuneration to its Managing or whole-time director or manager in accordance with the provisions of Schedule V of the Companies Act 2013.

### **c) Remuneration Policy for Key Managerial Personnel (KMP)**

The remuneration to Key Managerial Personnel of the Company i.e. Managing Director/Chief Executive Officer/ Whole Time Director, Company Secretary and Chief Financial Officer as defined under Companies Act, 2013 read with related rules issued thereon, will be fixed after taking into account educational and professional qualification, experience & expertise of the personnel and the competitive market practices.

#### **Key Principles:**

- Remuneration should be sufficient to attract, retain and motivate best non-executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for Key Managerial Personnel.

#### **Elements of the Remuneration structure of KMP's:**

The remuneration to key managerial personnel shall include:

- Fixed salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

### **d) Remuneration Policy for Senior Management Personnel and other Executives:**

The remuneration to Senior Management personnel shall be fixed considering internal, external and individual equity; and also procedural equity.

Remuneration to Senior Management Personnel shall include –

- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.





## REPORT ON CORPORATE GOVERNANCE

Annexure - 4

### 1. Company's Philosophy on Corporate Governance

The Company is committed to good corporate governance and aims at achieving increased levels of transparency and accountability to its shareholders and other key stakeholders.

### 2. Board of Directors

#### a) Composition of the Board

The Board of the Company consists of 4 Directors, out of which 3 are Non-Executive Independent Directors while one is Managing Director. None of the Directors are related to each other.

#### b) Board meetings held during the year

During the year under review, four Board meetings were held on 27<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 07<sup>th</sup> November, 2014 and 06<sup>th</sup> February, 2015.

#### c) Attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of the Director/ Age(in Yrs)	Category of Directorship	Attendance particulars			No. of Directorship in other Public Limited Companies (excluding Private Limited/Foreign Companies) and Committee Membership/ Chairmanship		
		Board Meetings Held	Board Meetings Attended	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri J. Chitlangia (52) (Managing Director)	Promoter/ Executive	4	4	Yes	2	-	-
Shri Abhas Sen (79)	} Non- Executive	4	4	No	-	-	-
Shri J.N. Godbole (69)*		2	2	NA	-	-	-
Shri Rajeev Ginodia(50)*	} & Independent	2	-	NA	-	-	-
Shri R.L. Kapur (82)		4	4	No	-	-	-
Smt. Deepa Maheshwari (52)**	2	1	NA	-	-	-	

\* upto 12.08.2014

\*\* from 07.11.2014

### 3. Audit Committee

#### Composition

The Audit Committee comprises of three Non-Executive Directors, all of them are Independent Directors. The names of the members of the Audit Committee are Shri Abhas Sen (Chairman of the Committee), Shri R.L. Kapur, Shri Rajeev Ginodia (upto 12.08.2014) and Smt. Deepa Maheshwari (with effect from 07.11.2014). The Managing Director is permanent invitee in all meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.

#### Terms of Reference:

The terms of reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, reappointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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- Reviewing with the management the annual financial statements before submission to the Board for approval;
- Reviewing with the management the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the report submitted by the monitoring agency and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors, any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review, check and approve the transaction with related party;
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; and
- To review the functioning of the Whistle Blower mechanism.

### Meetings and Attendance

Four audit committee meetings were held during the year on 27<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 07<sup>th</sup> November, 2014 and 06<sup>th</sup> February, 2015.

Name of Director	No.of meetings held	No.of meetings attended
Shri Abhas Sen	4	4
Shri Rajeev Ginodia	2	-
Shri R.L. Kapur	4	4
Smt. Deepa Maheshwari	2	1

### 4. Nomination and Remuneration Committee

#### Composition:

The Nomination and Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Shri Abhas Sen (Chairman of the Committee), Shri Rajeev Ginodia (upto 12.08.2014), Shri R.L. Kapur and Smt. Deepa Maheshwari (with effect from 07.11.2014).

#### Terms of Reference:

The terms of reference of the Committee are as follows:

- To ensure fit and proper credentials of proposed / existing Directors;
- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To fill the vacancy of the Board;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To determine on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension right and compensation payment;



- To determine the revenue matrix, salary and bonus to be paid to Whole-time Director(s) or Managing Director of the Company;
- To determine the sitting fee to be paid to the members of the Board;
- To recommend to the Board the revenue matrix, salary and bonus to be paid to the Key Managerial Personnel of the Company;
- To identify, appoint and review the performance of Key Managerial Personnel of the Company;
- To make recommendations to the Board with respect to the compensation to be paid to the Executive Directors of the Company;
- To determine the criteria for grant of options or shares under the Stock Option or Stock Purchase Scheme.

#### **Meetings and Attendance :**

There was no meeting during the year.

#### **Details of remuneration to Directors per annum :**

Name	Basic Salary (₹)	Perquisites/ Allowances (₹)	Sitting Fees (₹)	Total (₹)
Shri J. Chitlangia	3000000	594231	-	3594231
Shri Abhas Sen	-	-	70000	70000
Shri J.N. Godbole	-	-	20000	20000
Shri Rajeev Ginodia	-	-	-	-
Shri R.L. Kapur	-	-	70000	70000
Smt. Deepa Maheshwari	-	-	17500	17500

#### **Notes:**

- (a) Appointment of Shri J. Chitlangia, Managing Director is on contractual basis till 31.03.2016.
- (b) The Company does not have any scheme for grant of stock options to its Directors or employees.
- (c) The company does not pay any commission or performance linked incentives to any of its Directors.

#### **Shareholding of Non-Executive Directors**

Smt. Deepa Maheshwari holds 500 shares in the Company and no other Non-Executive Directors hold any shares in the Company.

### **5. Stakeholders Relationship Committee**

#### **Composition**

The Stakeholders Relationship Committee consists of Shri Abhas Sen, Non-Executive Independent Director (Chairman of the Committee), Shri R.L. Kapur, Non-Executive Independent Director and Shri J. Chitlangia, Managing Director.

#### **Terms of Reference:**

The Committee performs amongst other the role/functions as set out in Clause 49 of the Listing Agreement with the Stock Exchanges and includes:

- To consider, review and redress grievances of shareholders, debenture-holders and other security holders of the Company;
- To consider and resolve the grievances of the Shareholders / Investors like transfer of shares, debentures, non receipt of balance sheet, non receipt of declared dividends;
- To deal with all aspects relating to issue and allotment of shares and debentures and / or other securities of the Company;
- To consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- To delegate any of the powers mentioned above to the Company Executives;
- Authority to take a decision in any other matter in relation to the above functions/powers;

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- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

### Compliance Officer

Shri V.K. Khanna, President & Company Secretary is the Compliance Officer.

### Meetings and Attendance

There was no meeting during the year.

### Shareholders' Complaints

There was no complaint from its shareholders during the year.

## 6. Annual General Meeting

Details of the last three Annual General Meetings are as under:

Year	Location	Date	Time
2011-12	Village Birgahni, Rly & Post Champa-495 671, Dist. Janjgir-Champa, Chhattisgarh.	21.09.2012	11.00 a.m.
2012-13	Same as above	20.09.2013	11.00 a.m.
2013-14	Same as above	26.09.2014	11.00 a.m.

In the Annual General Meeting held on 20<sup>th</sup> September, 2013, special resolution was passed for reappointment and payment of remuneration to Managing Director and in the Annual General Meeting held on 26<sup>th</sup> September, 2014 special resolutions were passed under sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013. During the year 2014-15, there was no resolution passed by the Company's Members through postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

## 7. Disclosures

- a) The Company has entered into a few transactions with the related parties, the details whereof have been given in notes to the accounts and which have been reviewed by the Audit Committee of the Company. However, these are not prejudicial to the interest of the Company.
- b) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interest of the Company at large.
- c) Senior Management has made the disclosures to the Board and confirmed that they had no material, financial and commercial transactions that could have a potential conflict with the interest of the company at large.
- d) No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter relating to capital markets during the last three years.
- e) The Company has not adopted any whistle blower policy. However, no personnel was denied access to the audit committee.
- f) Management Discussion & Analysis, which has been reviewed by the Audit Committee of the company, is a part of the Annual Report.
- g) The Board has adopted a Code of Conduct for Directors and Senior Management. The declaration signed by the Managing Director to the effect that all Board members and Senior Management personnel have affirmed compliance with the code forms part of the Annual Report.
- h) The Chief Executive Officer (Managing Director) and Chief Financial Officer have submitted a certificate to the Board of Directors of the Company in connection with the matters specified in sub-clause V of Clause 49 of the Listing Agreement and forms part of the Annual Report.
- i) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D of Clause 49 of the Listing Agreement.
  - (i) The Company has set up a Nomination and Remuneration Committee, details whereof have been given in para 4 of this report.
  - (ii) Financial statements of the Company are unqualified.



## 8. Means of Communication

- Quarterly results are normally published in Financial Express in English and Dainik Bhaskar in Hindi.
- Latest quarterly financial results are displayed on its website [www.mbpl.in](http://www.mbpl.in)
- No presentations were made to institutional investors or analysts.

## 9. General Shareholder Information

### I. Annual General Meeting

- Date and Time : 24<sup>th</sup> September, 2015 at 11.00 a.m.  
 Venue : Village Birgahni, Rly & Post Champa-495 671,  
 Dist. Janjgir-Champa, Chhattisgarh.

### II. Financial Calendar for the year 2015-16 (tentative)

- Results for first quarter : 1<sup>st</sup> week of August  
 Results for second quarter : 1<sup>st</sup> week of November  
 Results for third quarter : 1<sup>st</sup> week of February  
 Annual Audited Results : Last week of May

### III. Book Closure Date : 17<sup>th</sup> September to 24<sup>th</sup> September, 2015 (both days inclusive).

### IV. Dividend Payment Date : Not Applicable

### V. Listing on Stock Exchange : The Calcutta Stock Exchange Ltd., Kolkata.

### VI. Stock Code Details

Name of Stock Exchange	Stock Code
The Calcutta Stock Exchange Ltd.	10023013

### VII. Market Price Data

No transactions were recorded at the aforesaid Stock Exchange during the year.

### VIII. Share Transfer System

Maheshwari Datamatics Pvt.Ltd. are the Share Transfer Agents/Registrars (both for physical as well as demat segments) of the Company. The Company follows a fortnightly cycle for processing and updating share transfers and accordingly all valid transfers are effected within a fortnight.

### IX. Distribution of Shareholding as on 31<sup>st</sup> March, 2015

No. of shares of ₹.10 each	No. of Shareholders	% of shareholders	No. of shares Held	Shareholding %
1 – 500	217	80.6691	35043	1.0276
501 – 1000	16	5.9480	13050	0.3827
1001 – 2000	6	2.2305	9614	0.2819
2001 – 4000	6	2.2305	16600	0.4868
4001 – 5000	2	0.7435	10000	0.2933
5001 – 10000	3	1.1152	26300	0.7713
10001 & above	19	7.0632	3299393	96.7564
Total	269	100.00	3410000	100.00

### X. Categories of Shareholding as on 31<sup>st</sup> March, 2015

Categories of Shareholders	No. of shares Held	Shareholding %
Indian Promoters	1948137	57.1301
Banks/Financial Institutions	1255856	36.8286
Private Corporate Bodies	80300	2.3548
Indian Public	125707	3.6865
Total	3410000	100.00

## Madhya Bharat Papers Limited

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**XI. Dematerialisation of Equity Shares**

The Company's shares are available for dematerialization with NSDL and CDSL. The ISIN allotted to the Company's equity shares is INE697E01017. As on 31.03.2015, 97.76% of total equity share capital is held in dematerialised form with NSDL and CDSL.

**XII. Outstanding GDR/Warrants and Convertible Instruments:** Not Applicable.

**XIII. Plant Location** : Village Birgahni, Rly & Post Champa-495 671  
Dist. Janjgir-Champa, Chhattisgarh.

**XIV. Address for Correspondence:**

Registrar : Maheshwari Datamatics Pvt. Ltd.,  
6, Mangoe Lane, Kolkata-700 001.  
e-mail: mdpl@cal.vsnl.net.in

Company- Registered Office : Madhya Bharat Papers Ltd.,  
Village Birgahni, Rly & Post Champa-495 671  
Dist. Janjgir-Champa, Chhattisgarh.

E-mail id for investor grievances : mbplcal@vsnl.net

On behalf of the Board

**Regd. Office :**

Village Birgahni,  
Rly & Post Champa-495 671,  
Dist. Janjgir-Champa  
Chhattisgarh.  
CIN: L21012CT1980PLC001682

**R.L. KAPUR**  
*Director*

**JAYDEEP CHITLANGIA**  
*Managing Director*

**Dated: 28<sup>th</sup> May, 2015**

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**Auditors' Certificate on Corporate Governance  
to the members of Madhya Bharat Papers Ltd.**

**Annexure - 5**

We have examined the compliance of conditions of Corporate Governance by Madhya Bharat Papers Limited for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no Investors' Grievances remaining unattended/pending for more than 30 days as at 31<sup>st</sup> March, 2015 except those under litigation, disputes or court orders.

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

**For Sawarmal Agrawal & Co.**  
Chartered Accountants  
F.R.No. 318164E

2A, Ganesh Chandra Avenue,  
Kolkata-700 013.

**Dated: 28<sup>th</sup> May, 2015**

**S.M. Agrawal**  
Proprietor  
Membership No. 53923



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**Annexure - 6**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Board has adopted a Code of Conduct for its Directors and Senior Management of the Company and the same is available on the Company's website.

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31<sup>st</sup> March, 2015.

**JAYDEEP CHITLANGIA**

(DIN: 00094002)

Managing Director

Kolkata,

**Dated: 28<sup>th</sup> May, 2015**

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**Annexure - 7**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

**To**

**The Members,**

**Madhya Bharat Papers Limited**

Vill. – Birgahni, Rly & Post – Champa,

Dist – Janjgir-Champa,

Chhattisgarh – 495671

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Bharat Papers Limited** having its Registered Office at Vill. – Birgahni, Rly & Post – Champa, Dist – Janjgir-Champa, Chhattisgarh, Pin – 495 671 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
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## Madhya Bharat Papers Limited

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- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation ,1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws, *inter alia*, as in general applicable to the Company :
  - (i) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
  - (ii) Indian Boilers Act, 1923

to the extent of their applicability to the Company during the financial year ended 31.03.2015 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

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

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company :

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

### **We further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further





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information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. LABH & Co.**  
Company Secretaries

( **CSA. K. LABH** )  
Practicing Company Secretary  
FCS – 4848 / CP No.-3238

Place : Kolkata  
Dated : 13.08.2015

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**Annexure - 8**

**Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:**

**A. CONSERVATION OF ENERGY**

(a) **Energy Conservation measures taken :**

Change of various pumps and motors in Paper Machine and Pulp Mill have assisted in energy conservation. Further energy conservation measures are being identified to conserve and optimize the use of energy through improved operational methods and other means.

(b) **Impact of the above measures:**

The Company has been able to optimize electricity.

(c) **Total energy consumption and energy consumption per unit of production:** Form-A enclosed.

**B. TECHNOLOGY ABSORPTION:**

**Efforts made in technology absorption as per Form-B :** Form-B enclosed.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(a) The Company has not exported any of its products during the year.

(b) Total foreign exchange used and earned during the year (₹. In lacs)

(i) CIF value of imports 304.08

Expenditure in foreign currency 21.46

(ii) Foreign exchange earned –

# Madhya Bharat Papers Limited

## FORM - A

### Form for disclosure of particulars with respect to conservation of energy

Particulars		2014-15	2013-14
<b>A. POWER AND FUEL CONSUMPTION</b>			
<b>1. Electricity</b>			
a) Purchased			
Units	Kwh	3,80,300	2,29,500
Total Amount	₹.	101,47,968	103,95,367
Rate	₹./Kwh	26.68	45.30
b) Own Generation			
i) Through Diesel Generator			
Units	Kwh	1,790	—
Units per Unit of Diesel Oil	Kwh/Ltr.	11.93	—
Cost/Unit	₹./Kwh	5.76	—
ii) Through Turbine Generator			
Units	Kwh	138,32,708	159,91,311
Units per Unit of Coal	Kwh/MT	829	898
Cost per Unit	₹./Kwh	3.00	2.75
<b>2. Coal</b>			
For steam generation & consumption in Paper Dvn.			
a) Grade B			
Quantity	M.T.	7,146	1,510
Total Cost	₹.	349,11,145	74,55,379
Average Cost	₹./M.T.	4,886	4,937
b) Grade F&E			
Quantity	M.T.	36,553	48,079
Total Cost	₹.	740,02,628	11,48,53,452
Average Cost	₹./M.T.	2,025	2,389
c) Washery Reject			
Quantity	M.T.	308	—
Total Cost	₹.	3,36,613	—
Average Cost	₹./M.T.	1,093	—
d) Charcoal			
Quantity	M.T.	7.9	4.4
Total Cost	₹.	1,57,957	89,302
Average Cost	₹./M.T.	20,122	20,158
<b>3. Furnace Oil</b>			
		—	—
<b>4. Diesel Oil</b>			
Quantity	Ltr.	150	—
Total Cost	₹.	10,311	—
Average Cost	₹./Ltr.	69	—
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Electricity	Kwh/M.T.	1,120	1,011
Coal	M.T/M.T.	3.47	3.09
Diesel Oil	Ltr/M.T.	0.01	—



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## FORM-B

### Form for disclosure of particulars with respect to Technology Absorption

#### RESEARCH AND DEVELOPMENT

1. **Specific areas in which R&D carried out by the Company.** The R & D activities of the Company are aimed at improvement of quality of its products, cost control and reduction of pollutants.
2. **Benefits Derived**  
The products of the Company were in reasonable demand.
3. **Future Plan of Action**  
Further improvement in quality, reduction in costs and reduction of pollutants.
4. **Expenditure on R & D : Nil**

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts made**  
The Company is taking all necessary steps to improve the designing of various equipments for achieving optimum results and is trying to absorb various technologies available in the industry.
2. **Benefits**  
The Company could not enjoy any benefits as the plant was not in full operation.
3. Particulars of technologies imported during the last 5 years: NIL

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#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure - 9

##### Overall Review

Accounting year 2014-15 was a difficult year for the paper industry. The Company continues to be affected by adverse factors of spiralling input cost of key raw materials along with changes in the Environment Policy of the Government related to Paper Industry. The Company has not been able to pass on increase in the cost, to its customers and the Company is hopeful that the realization will enhance atleast to the extent of cost increase which will enhance the performance level in the forthcoming year.

##### Business Segment – Paper

###### a) Industry Structure & Development

The paper industry is cyclical in nature and has strong linkages with the country's general industrial, social performance and gross domestic product ("GDP") due to its application in the print media, education, packaging, etc. The Indian paper industry is growing consistently but large capital investment need restricts growth for the small paper mills.

During the year, the division has achieved 76.77% capacity utilization.

###### b) Opportunities & Threats

The country is envisaging an inclusive growth and Government is taking steps to increase literacy levels which will give impetus to paper industry.

The Government has tightened the norms of Environment Parameters which has compelled the Company to curtail its production in 2014-15 and has to take other steps to change its raw materials base from Agro residues to Recycled Waste Paper. This change entails large capital investment which is under negotiation.

###### c) Segment Performance

During the year 2014-15, segment revenue decreased from ₹. 7300.42 lacs to ₹.5848.87 lacs i.e. decrease of 19.8% and incurred loss of ₹. 646.37 lacs before interest and tax compared with previous year's profit of ₹. 94.97 lacs.

## Madhya Bharat Papers Limited

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### d) Outlook

The consumption of paper continues to grow in the developing economy of India and therefore, the Company's outlook for future growth is reasonably good on implementation of project based on recycled waste paper.

### e) Risks and Concerns:

The Government has through Corporate Responsibility for Environment Protection (CREP) laid greater emphasis on environment protection. Non-compliance with Environment Protection Policies or related issues could dent operations and the plant may face closure.

## Business Segment – Power

### a) Industry Structure & Development

The Company is generating power for captive consumption and is working at its optimum capacity.

### b) Opportunities & Threats

The uninterrupted quality power is available. The availability of coal and its price is a matter of concern as the Company has to procure coal through e-auction market regularly which is very costly than the normal allocation.

### c) Segment Performance

During the year 2014-15, segment revenue decreased from ₹. 723.81 lacs to ₹. 689.13 lacs but earned a profit of ₹. 84.41 lacs before interest and tax against loss of ₹. 52.04 lacs in the previous year.

### d) Outlook

The outlook remains positive.

### e) Risks and Concerns:

Imposition of tighter and continuous change in Environmental laws is a concern to the Company. However, the company is continuously upgrading the same to mitigate the risk.

## Internal Control systems and their adequacy

The Company has adequate internal control systems as per requirements of the Company. A qualified Chartered Accountants firm conducts internal audit, including systems audit, at regular intervals. The Audit Committee of the Company periodically reviews the existing internal control systems and takes necessary steps for updation/modification of the same as and when considered necessary.

## Financial Performance & Analysis highlights

₹. in lacs

Particulars	2014-15	2013-14
Gross Turnover (excluding inter divisional transfers)	6301.42	7765.66
Net Sales	5938.28	7300.42
PBIDT	(371.02)	214.52
Interest	174.18	155.67
Profit/(Loss) after Interest	(545.20)	58.85
Depreciation	110.28	201.83
Net adjustments in respect of earlier years	7.26	0.42
Provision for Taxation		
- Earlier year tax	1.58	—
- Deferred Tax	(240.65)	(371.02)
Net Profit/(Loss)	(423.67)	227.62



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### **Human Resource Development/Industrial Relations**

The Company firmly believes that Human Resources are invaluable assets for any Organization. The effective deployment of capital and furtherance of Company's business are intimately dependent on the quality of human resources. There is, therefore, a continuous review by the Management of the potentiality of the people employed and enhancement of their contribution to the Company through training and development programmes. Industrial relations with the employees remain cordial throughout the year under review. The total manpower strength as on 31<sup>st</sup> March, 2015 was 287.

### **Cautionary Statement**

Statement in the "Management's Discussion and Analysis" section describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and other factors such as litigation and labour negotiations.

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### **CEO / CFO CERTIFICATION**

We hereby certify that –

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3.
  - (i) We accept responsibility for establishing and maintaining internal controls; and
  - (ii) We have evaluated the effectiveness of the internal control systems of the Company and there were no major deficiencies in the design or operation of internal control.
4. We have indicated to the Auditors and Audit Committee :
  - (i) There were no significant changes in internal control systems during the year 2014-15;
  - (ii) Significant changes, if any, in accounting policies made during the year 2014-15 have been disclosed in the notes to the financial statements; and
  - (iii) We are not aware of any instance of significant fraud involving the management or an employee having a significant role in the Company's internal control systems.

**JAYDEEP CHITLANGIA**  
Managing Director

**JAGDISH DUA**  
Chief Financial Officer

Kolkata,

**Dated: 28<sup>th</sup> May, 2015**

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# **Madhya Bharat Papers Limited**

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## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Madhya Bharat Papers Limited

### **Report on the Financial Statements**

We have audited the attached Financial Statements of M/s **MADHYA BHARAT PAPERS LIMITED**, which comprising of the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash flow statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with notes thereon subject to non provision of Depreciation up to 31<sup>st</sup> March, 1999 on



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enhanced value of Fixed Assets in consequent upon revaluation of fixed assets on 30.4.1987. Had it been done, the net block and revaluation reserve account would have been lower by Rs. 51.25 lacs as stated in note no. 11.1 of the notes on accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2015;
- b) In the case of Statement of Profit and Loss, of the Profit of the company for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by clause 2 of the Companies (Auditor's Report) Order, 2015 (the 'Order'), issued by the Central Government of India in terms of section 143 of 'The Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraph 3 & 4 of the said Order :
2. As required by section 143(3) of the Act, we report that :
  - i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors of the company is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of clause section 164(2) of the Act.
  - vi) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

COMMERCE HOUSE'  
2A Ganesh Chandra Avenue  
Kolkata: 700 013.  
Dated: - 28<sup>th</sup> May, 2015

For **SAWAR MAL AGRAWAL & CO.**

*Chartered accountants*  
*FR.No-318164E*

**S.M. AGRAWAL**  
Proprietor  
Membership No. - 053923

## Madhya Bharat Papers Limited

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### ANNEXURE

Referred to in our report of even date to paragraph 1 of **Report on Other Legal and Regulatory Requirements.**

1. (a) In our opinion, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As per the information and explanation given to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.  
(c) During the year, in our opinion, the Company has not disposed of substantial part of Fixed assets and the going concern status of the company is not affected.
2. (a) According to the information and explanations given to us, the Inventory has been physically verified during the year by the management at a regular interval. 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 are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of Inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has not granted any loan secured or unsecured to any company, firms or other parties covered in the Register maintained under section 189 of the Act.  
(b) The Company has taken unsecured loans of ₹ 61.05 lacs from one company listed in the Register cover under section 189 of the Act during the year. The maximum loan outstanding during the year was ₹ 705.93 lacs and the year end balance was ₹ 466.99 lacs.  
(c) In our opinion, the rate of interest and other terms and conditions on which loans have been given to / taken from Company as listed in the register maintained under section 189 of the Act, are not, prima facie, prejudicial to the interest of the Company.  
(d) There is no overdue amount pending.
4. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to 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 system.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public during the year except trade deposit from its customers. Hence provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under where applicable with regard to the deposit accepted from the public does not apply to the company.  
According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposit.
6. The Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, we have broadly reviewed the books of accounts and records of the company in this connection 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 same.
7. (a) According to the information and explanations given to us and the records of the company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sale Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such dues were in arrears, as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.





- (b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of Statutory dues as at 31<sup>st</sup> March, 2015 which have not been deposited on account of dispute, are as follows :-

Name of the Statute	Nature of the dues	Amount ₹.	Forum where dispute is pending
Central Excise Act, 1944	F Y 2009-10	32,52,281/-	CESTAT, New Delhi
U P G S T Act (VAT)	F Y 2007-08	2,63,940/-	Asst. Commissioner, Commercial Taxes Allahabad, U.P.
	F Y 2008-09	1,29,003/-	
	F Y 2009-10	31,241/-	
	F Y 2010-11	50,091/-	
U P G S T Act (Entry Tax)	F Y 2008-09	13,57,145/-	Asst. Commissioner, Commercial Taxes Allahabad, U.P.
	F Y 2009-10	2,46,361/-	
	F Y 2010-11	1,68,324/-	
TOTAL		54,98,386/-	

(Out of above ₹ 4,77,056/- has been deposited by the Company)

- (c) The amount 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 there under has been transferred to such fund within time.
8. The company has accumulated losses of ₹ 649.50 lacs as at 31<sup>st</sup> March, 2015 and has not eroded more than 50% of its peak net worth in the current year. The Company has incurred cash losses of ₹ 552.47 Lacs during the period covered by the report but not incurred any cash Losses in the financial year immediately preceding the period covered by the report.
  9. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, or Bank or Debenture holders as at the Balance Sheet date.
  10. In our opinion, and as per the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company
  11. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
  12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

COMMERCE HOUSE'  
2A Ganesh Chandra Avenue  
Kolkata: 700 013.

Dated: - 28<sup>th</sup> May, 2015.

For **SAWARMAL AGRAWAL & CO.**  
Chartered accountants  
F.R.No-318164E

**S. M. AGRAWAL**  
Proprietor  
Membership No. - 053923

# Madhya Bharat Papers Limited

## Balance Sheet as at 31st March, 2015

Sl. No.	Particulars	Note No.	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	341.00	341.00
	(b) Reserves and Surplus	3	461.60	969.40
	Total (A)		<u>802.60</u>	<u>1310.40</u>
<b>B</b>	<b>Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	1071.10	1095.67
	(b) Other Long Term Liabilities	5	410.86	164.96
	(c) Long Term Provisions	6	1.60	1.60
	Total (B)		<u>1483.56</u>	<u>1262.23</u>
<b>C</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	7	416.61	466.17
	(b) Trade Payables	8	1038.87	776.01
	(c) Other Current Liabilities	9	365.15	263.90
	(d) Short Term Provisions	10	36.39	35.73
	Total (C)		<u>1857.02</u>	<u>1541.81</u>
	<b>Total (A+B+C)</b>		<u>4143.18</u>	<u>4114.44</u>
<b>II</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets	11		
	(i) Tangible Assets		2129.62	2316.54
	(ii) Capital Work-in-Progress		79.10	127.10
	(b) Non Current Investments	12	24.65	24.65
	(c) Deferred Tax Assets (Net)	13	385.82	145.16
	Total (A)		<u>2619.19</u>	<u>2613.45</u>
<b>B</b>	<b>Current Assets</b>			
	(a) Inventories	14	933.27	978.75
	(b) Trade Receivables	15	144.84	191.82
	(c) Cash and Cash Equivalents	16	20.21	20.14
	(d) Short Term Loans and Advances	17	387.85	275.29
	(e) Other Current Assets	18	37.82	34.99
	Total (B)		<u>1523.99</u>	<u>1500.99</u>
	<b>Total (A+B)</b>		<u>4143.18</u>	<u>4114.44</u>
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
	<b>OTHER NOTES ON ACCOUNTS</b>	2 to 35		

The accompanying notes 1 to 35 are an integral part of the Financial Statements.  
As per our report of even date.

**For SAWARMAL AGRAWAL & CO.**  
Chartered Accountants  
(F.R.No.318164E)

**S. M. AGRAWAL**  
Proprietor  
(M.No. 53923)

**Kolkata : 28th May, 2015**

**V. K. KHANNA**  
President &  
Company Secretary

**JAYDEEP CHITLANGIA**  
Managing Director

**R. L. KAPUR**  
Director



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

Sl. No.	Particulars	Note No.	2014-15 ₹. in lacs	2013-14 ₹. in lacs
<b>INCOME :</b>				
I	Revenue from Operations	19	5938.28	7300.42
II	Other Income	20	25.08	12.07
III	<b>Total Revenue (I+II)</b>		<b>5963.36</b>	<b>7312.49</b>
<b>IV EXPENDITURE :</b>				
(a)	Cost of Material Consumed	21	1933.16	2218.33
(b)	Cost of Trading Goods Purchase	22	87.65	—
(c)	Change in Inventories of Finished Goods, Work-in-progress and Stock in Trade	23	(62.07)	(102.28)
(d)	Employee Benefits Expenses	24	578.83	574.36
(e)	Finance Costs	25	174.18	155.67
(f)	Depreciation and Amortisation Expenses	26	110.28	201.83
(g)	Other Expenses	27	3804.07	4407.98
	<b>Total Expenses</b>		<b>6626.10</b>	<b>7455.89</b>
V	<b>Profit Before Extraordinary Items and Tax (III-IV)</b>		<b>(662.74)</b>	<b>(143.40)</b>
VI	Extraordinary Items		—	—
VII	<b>Profit Before Tax (V-VI)</b>		<b>(662.74)</b>	<b>(143.40)</b>
VIII	Tax Expenses			
	Earlier Years		1.58	—
	Deferred Tax		(240.65)	(371.02)
IX	<b>Profit / (Loss) for the Period (VII-VIII)</b>		<b>(423.67)</b>	<b>227.62</b>
X	Earning per Equity Share	31		
(a)	Basic		(12.42)	6.67
(b)	Diluted		(12.42)	6.67

### SIGNIFICANT ACCOUNTING POLICIES

1

### OTHER NOTES ON ACCOUNTS

2 to 35

The accompanying notes 1 to 35 are an integral part of the Financial Statements.  
As per our report of even date.

**For SAWARMAL AGRAWAL & CO.**  
Chartered Accountants  
(F.R.No.318164E)

**JAYDEEP CHITLANGIA**  
Managing Director

**S. M. AGRAWAL**  
Proprietor  
(M.No. 53923)

**V. K. KHANNA**  
President &  
Company Secretary

**R. L. KAPUR**  
Director

**Kolkata : 28th May, 2015**

## Madhya Bharat Papers Limited

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

	2014-15 ₹. in lacs	2013-14 ₹. in lacs
<b>A. Cash flow from operating activities</b>		
Net Profit/Loss before interest, tax & extraordinary items	(491.10)	9.88
<b>Items adjusted for</b>		
Depreciation	110.28	201.83
Interest	(17.67)	(11.90)
Dividend	(0.01)	(0.02)
(Profit)/Loss on sale of fixed assets	3.20	–
Operating profit before working capital changes	(395.30)	199.79
<b>Changes in</b>		
Trade & other receivables	(75.23)	(81.36)
Inventories	45.48	(174.89)
Trade payable	313.25	226.42
Cash generated from operation	(111.80)	169.96
Direct taxes paid	5.75	(0.61)
Cash flow before extra-ordinary items	(106.05)	169.35
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(106.05)</b>	<b>169.35</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (incl. WIP)	(12.49)	(7.62)
Sale of fixed assets (incl. WIP)	49.80	–
Investment in Deposit	(3.78)	(0.67)
Interest received	17.16	11.09
Dividend received	0.01	0.02
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>50.70</b>	<b>2.82</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	(28.86)	(14.19)
Repayment of long term borrowings	6.25	(2.48)
Proceeds from long-term liabilities	245.90	(1.50)
Proceeds from hire purchase loan	–	–
Interest paid	(171.64)	(153.29)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>51.65</b>	<b>(171.46)</b>
 Net changes in cash & cash equivalents(A+B+C)	 <b>(3.70)</b>	 <b>0.71</b>
Cash & Cash Equivalents-Opening Balance	9.74	9.04
Cash & Cash Equivalents-Closing Balance	6.04	9.75
	<b>(3.70)</b>	<b>0.71</b>



2014-15  
₹. in lacs

2013-14  
₹. in lacs

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)	20.21	20.14
Less :		
Fixed Deposit (pledged with Sales Tax Authorities)	0.43	0.43
Margin Money	13.74	9.96
Cash & Cash Equivalents-Closing Balance	<u>6.04</u>	<u>9.75</u>

(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 ₹.13.74 lacs (₹.9.96 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 SAWARMAL AGRAWAL & CO.**

*Chartered Accountants  
(F.R.No.318164E)*

**S. M. AGRAWAL**

*Proprietor  
(M.No. 53923)*

**Kolkata : 28th May, 2015**

**V.K. KHANNA**  
*President &  
Company Secretary*

**JAYDEEP CHITLANGIA**  
*Managing Director*

**R. L. KAPUR**  
*Director*

## **Madhya Bharat Papers Limited**

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### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

#### **1. Significant Accounting Policies**

- 1.1 (a) The financial statements of the Company have been prepared to comply with the generally accepted accounting principle in India including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements 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 notified under the relevant provisions of the Companies Act, 2013.
- 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 to the extent of depreciable amount on straight line method as per the rate prescribed in Schedule II to the Companies Act, 2013. Depreciation have been provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.
- (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 Statement of Profit & Loss whereas capital expenditure is treated as addition to fixed assets.
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## 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 Statement of Profit & Loss 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 Statement of Profit & Loss.

The Company recognises in the Statement of Profit & Loss, 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 Statement of Profit & Loss. 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 statement of profit and loss.

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.

## 1.17 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities, disclosure of contingent liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual ledger and the estimates are recognized in the period in which the results are known/materialised.

## 1.18 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

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

# Madhya Bharat Papers Limited

## Notes to the Financial Statements

Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
<b>2. Share Capital</b>			
1	<b>Authorised</b>		
	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
		<u>3000.00</u>	<u>3000.00</u>
2	<b>Issued, Subscribed and Paid-up</b>		
	34,10,000 (Last Year 34,10,000) Equity Shares of ₹. 10 each	341.00	341.00
		<u>341.00</u>	<u>341.00</u>
2.1	Shares in the Company held by each Shareholder holding more than 5 per cent Shares (Equity Shares in Nos of ₹. 10 each)		
		Holding	Holding
	<b>Name of Shareholder</b>	%	No.of Shares
		%	No.of Shares
	Sudeep Chitlangia	14.37	490000
	Jaydeep Chitlangia	12.61	430000
	Sheela Chitlangia	8.06	274737
	Archana Chitlangia	7.33	250000
	Nikhilesh Chitlangia	5.57	190000
	IDBI Bank Limited	16.51	562937
	IFCI Limited	8.14	277436
	ICICI Bank Limited	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	<u>3410000</u>	<u>3410000</u>
2.3	All issued, subscribed and paidup capital of 3410000 equity shares having voting rights.		
2.4	The Company's Shares are listed in Calcutta Stock Exchange and listing fees have been paid upto 2015-16.		
<b>3. Reserves &amp; Surplus</b>			
1	<b>Revaluation Reserve</b>		
	Balance as per Last Account	132.19	139.09
	Less: Depreciation Current Year	2.81	6.89
	Less: Adjustment made as per Schedule II (Refer Note No.11.1)	77.37	-
		<u>52.01</u>	<u>132.20</u>





Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
2	<b>Capital Reserve</b>		
	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 Period	<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	<b>Capital Redemption Reserve</b>		
	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	<b>General Reserve</b>		
	At the Beginning of the Accounting Period	598.00	598.00
	Less: Adjustment made as per Schedule II	3.94	—
	Additions during the year	—	—
	At the end of the Accounting Period	<u>594.06</u>	<u>598.00</u>
5	<b>Surplus</b>		
	At the Beginning of the Accounting Period	(225.83)	(453.45)
	Additions/(Deletion) during the year (Balance in Statement of Profit & Loss A/c)	(423.67)	227.62
	At the end of the Accounting Period	<u>(649.50)</u>	<u>(225.83)</u>
	<b>Grand Total</b>	<u>461.60</u>	<u>969.40</u>
4	<b>Long Term Borrowings</b>		
1	<b>Secured</b>		
	Term Loans from Banks	6.28	1.99
	(Hire Purchase Loan secured against Vehicles)		
		<u>6.28</u>	<u>1.99</u>
2	<b>Unsecured</b>		
	From Companies	649.82	818.68
	From Others	415.00	275.00
		<u>1064.82</u>	<u>1093.68</u>
	<b>Grand Total</b>	<u>1071.10</u>	<u>1095.67</u>
5	<b>Other Long Term Liabilities</b>		
	Deposits from -		
	Sales Representatives, consignment agents & dealers	410.86	164.96
		<u>410.86</u>	<u>164.96</u>

## Madhya Bharat Papers Limited

Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
<b>6</b>	<b>Long Term Provisions</b>		
	Provision for Diminution in the value of Investment	<u>1.60</u>	<u>1.60</u>
		<u>1.60</u>	<u>1.60</u>
<b>7</b>	<b>Short-Term Borrowings</b>		
	<b>Secured</b>		
	Working Capital Loan		
	From Bank		
	Rupee Loan	396.60	466.17
	(Hypthecation 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.)		
	<b>Unsecured</b>		
	Acceptances	<u>20.01</u>	-
		<u>416.61</u>	<u>466.17</u>
<b>8</b>	<b>Trade Payables</b>		
	MSME Unit	2.22	1.59
	Others	<u>1036.65</u>	<u>774.42</u>
		<u>1038.87</u>	<u>776.01</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 ₹. 2.22 lacs (Previous year ₹. 1.59 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.		
<b>9</b>	<b>Other Current Liabilities</b>		
1	Current Maturities of Long Term Debts (Hire Purchase Loan secured against Vehicles)	4.71	2.75
2	TDS Payable	16.29	16.08
3	Other Current Liabilities (Consist of employees liabilities, retention money and security deposit, statutory liabilities and other expenses)	<u>344.15</u>	<u>245.07</u>
		<u>365.15</u>	<u>263.90</u>
<b>10</b>	<b>Short-Term Provisions</b>		
	Provision for Employee Benefits (Refer Note No. 23.2)	<u>36.39</u>	<u>35.73</u>
		<u>36.39</u>	<u>35.73</u>



**11 FIXED ASSETS**

(₹. in lacs)

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2014	Addition	Deletion	As at 31.03.2015	Upto 01.04.2014	Addition	Deletion	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>(i) TANGIBLE ASSETS</b>										
1 Freehold Land	44.49	-	-	44.49	-	-	-	-	44.49	44.49
2 Leasehold Land	4.39	-	-	4.39	1.08	0.04	-	1.12	3.27	3.32
3 Factory Buildings	1053.89	-	-	1053.89	500.44	95.72	-	596.16	457.73	553.45
4 Plant and Machineries	4904.60	-	-	4904.60	3227.67	86.53	-	3314.20	1590.40	1676.93
5 Furniture and Fixture	48.28	-	-	48.28	43.19	2.03	-	45.22	3.06	5.09
6 Vehicles	46.61	10.68	9.28	48.01	28.05	3.57	4.28	27.34	20.67	18.57
7 Office Equipments	30.15	1.61	-	31.76	24.19	2.46	-	26.65	5.11	5.96
8 Computers	65.45	0.20	-	65.65	56.72	4.04	-	60.76	4.89	8.73
Grand Total	6197.87	12.49	9.28	6201.08	3881.34	194.39	4.28	4071.45	2129.62	2316.54
Total of the Previous Year	6190.26	7.62	-	6197.88	3672.62	208.72	-	3881.34		

**(ii) CAPITAL WORK IN PROGRESS**

Advance against Capital Expenditure  
& Machineries in Stock/Transit

<b>79.10</b>	<b>127.10</b>
<b>79.10</b>	<b>127.10</b>

## Madhya Bharat Papers Limited

Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
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.	506.62	425.68
	Depreciation on enhanced value of fixed assets has been deducted from revaluation reserve account.	80.94	6.89
	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.	51.26	132.20
	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 ₹. 3.27 lacs and for leasehold Building is for ₹. 4.55 lacs as on 31.03.2015.		
11.3	Factory Building includes Lease hold Building of ₹. 5.55 lacs.		
11.4	Pursuant to enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortised carrying value is being depreciated/ amortised over the revised/remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April, 2014 have been adjusted net of tax in the opening balance of General Reserve.		
12	<b>Non Current Investment:</b> (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



Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
(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 ₹.29.92 lacs (Previous year ₹.9.29 lacs)		
12.2	Government Securities have been pledged with Central Excise and Sales Tax Authorities.		
12.3	Investments are valued at cost.		
<b>13</b>	<b>Deferred Tax (Liabilities)/Assets (Net)</b>		
	<b>Deferred Tax</b>		
	Provision for gratuity	21.44	13.70
	Provision for Loss carried forward	606.00	358.50
		<u>627.44</u>	<u>372.20</u>
	<b>Deferred Tax Liability</b>		
	Related to Fixed Assets	228.47	215.51
	Provision for unencashed leave	12.59	11.04
	Provision for diminution in value of long term investment	0.56	0.49
		<u>241.62</u>	<u>227.04</u>
	<b>Net Deferred Tax (Liability) / Assets</b>	<u>385.82</u>	<u>145.16</u>
<b>14</b>	<b>Inventories</b>		
	(As taken, valued and certified by the Management)		
(a)	Raw Material		
	In Hand	191.25	248.33
	In Transit	8.71	41.54
(b)	Work-in-Progress	70.72	65.24
(c)	Finished Goods	415.17	354.00
	Add: Variation in Excise Duty on Opening & Closing Stock of Finished Goods	19.59	24.17
(d)	Stores, Spares & Loose Tools		
	In Hand	220.93	237.33
	In Transit	6.90	8.14
		<u>933.27</u>	<u>978.75</u>
14.1	Work-in-Progress have been valued at lower of cost or net realisable value.		
14.2	Finished Goods are valued at lower of cost of net realisable value.		
14.3	Stores & Spares and Loose Tools have been valued at cost.		
14.4	Raw Materials are valued at cost.		
<b>15</b>	<b>Trade Receivables</b>		
	(Unsecured considered Good unless otherwise stated)		
(1)	Debts Outstanding for a period exceeding six months from the date they are due	1.32	2.31
(2)	Other Debts	143.52	189.51
		<u>144.84</u>	<u>191.82</u>

## Madhya Bharat Papers Limited

Note No.	Particulars	As at 31.03.2015 ₹. in lacs	As at 31.03.2014 ₹. in lacs
<b>16</b>	<b>Cash &amp; Cash Equivalents</b>		
(a)	Balance with Banks		
	In Fixed Deposits	14.17	10.39
	In Current Accounts	3.58	4.16
(b)	Cash in Hand	2.46	0.95
(c)	Cheque in Hand	–	4.64
		<b>20.21</b>	<b>20.14</b>
16.1	Fixed Deposit of ₹.13.74 lacs held as Margin Money against Bank Guarantee/Letter of Credit (Previous Year ₹.9.96 lacs)		
16.2	Fixed Deposit of ₹.0.43 lac pledged with Sales Tax Authorities (Previous Year ₹.0.43 lac)		
<b>17</b>	<b>Short Term Loans &amp; Advances</b>		
	(Unsecured considered good unless otherwise stated and recoverable in cash or in kind for the value to be received)		
(a)	<b>Loans and Advances</b>		
	To Others		
	Advance to Parties	88.86	102.90
	Advance to Staff	4.80	1.07
	Advance to Others	261.45	139.98
(b)	<b>Receivable from Revenue Authorities</b>		
	Income Tax Deposit/Refund Receivable (Net)	2.12	9.46
	Sales Tax Deposit/Refund Receivable	0.27	0.26
	Balance with Central Excise Authorities	30.35	21.62
		<b>387.85</b>	<b>275.29</b>
<b>18</b>	<b>Other Current Assets</b>		
	Prepaid Expenses	8.03	8.48
	Interest Accrued but not due on Deposits	7.31	6.79
	Trade and Other Deposits	22.48	19.72
		<b>37.82</b>	<b>34.99</b>
<b>19</b>	<b>Revenue from Operations</b>		
(a)	Sale of Products	6901.15	8489.47
(b)	Sale of Trading Goods	89.40	–
	Less: Inter-Divisional Transfer	689.13	723.81
		<b>6301.42</b>	<b>7765.66</b>
(c)	Less: Excise Duty	363.14	465.24
	Net Revenue from Operations	<b>5938.28</b>	<b>7300.42</b>
<b>20</b>	<b>Other Income</b>		
(a)	Interest Income	17.67	11.91
(b)	Dividend Income	0.01	0.02
(c)	Other Non-Operating Income	0.14	0.14
(d)	Liabilities no longer required written back	7.26	–
		<b>25.08</b>	<b>12.07</b>
	Other Non-operating income consists of commodity gain and others.		



Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs		
<b>21</b>	<b>Cost of Materials Consumed</b>				
	Purchases Raw Materials	1888.19	2243.75		
	Add: Opening Balance of Stock	<u>145.06</u>	<u>119.64</u>		
		<b>2033.25</b>	<b>2363.39</b>		
	Less: Closing Balance of Stock	<u>100.09</u>	<u>145.06</u>		
	Consumption of Raw Materials	<u><b>1933.16</b></u>	<u><b>2218.33</b></u>		
21.1	Details of Raw Material consumed :				
A.	Raw Materials consumed :	Qty. (MT)	Amount	Qty. (MT)	Amount
	(i) Straw	24,910	493.79	34,607	755.83
	(ii) Hosiery Cuttings/Jute Caddies	343	14.17	116	4.80
	(iii) Waste Paper	6,806	1425.20	6,409	1457.70
	(iv) Coal	44,015	1094.08	49,593	1223.98
			<u>3027.24</u>		<u>3442.31</u>
	Coal consumption has been shown under Power & Fuel expenses (other expenses)				
B.	Break-up of Raw Materials consumed:	%		%	
	(i) Indigenous	89.94	2722.78	90.36	3110.63
	(ii) Imported	10.06	304.46	9.64	331.69
		<u>100</u>	<u>3027.24</u>	<u>100</u>	<u>3442.32</u>
C.	C.I.F. Value of Imports				
	(i) Raw Materials		215.24		231.23
	(ii) Others		87.65		-
			<u>302.89</u>		<u>231.23</u>
<b>22</b>	<b>Stock in Trade</b>				
	Purchase of Trading Goods		87.65		-
			<u>87.65</u>		<u>-</u>
<b>23</b>	<b>Changes in Inventories</b>				
	Finished Goods				
	At the Beginning of the Accounting Period		378.16		249.72
	At the End of the Accounting Period		<u>434.75</u>		<u>378.16</u>
			<u>(56.59)</u>		<u>(128.44)</u>
	Work-in-Progress				
	At the Beginning of the Accounting Period		65.24		91.40
	At the End of the Accounting Period		<u>70.72</u>		<u>65.24</u>
			<u>(5.48)</u>		<u>26.16</u>
	Grand Total		<u><b>(62.07)</b></u>		<u><b>(102.28)</b></u>

## Madhya Bharat Papers Limited

Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs
<b>24</b>	<b>Employee Benefits Expense</b>		
	Salary and Wages	482.71	468.22
	Contribution to Provident Fund and Other Funds	70.83	76.80
	Workers and Staff Welfare	25.29	29.34
		<u>578.83</u>	<u>574.36</u>
24.1	(a) Payments to and provision for employees include the following :		
	Paid to Key Managerial Personnel- Salary & Other Amenities	61.63	49.37
	Contribution to Provident Fund and other Funds	11.83	15.21
		<u>73.46</u>	<u>64.58</u>
	(b) Computation of net profit for the purpose of Directors' remuneration under section 198 of the Companies Act, 2013 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 V to the Companies Act, 2013		
24.2	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.		
	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	32.98	38.42
	Employers' Contribution to Superannuation Fund	13.25	12.24
	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		





Note No.	Particulars	2014-15 ₹. in lacs		2013-14 ₹. in lacs	
	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, 2015 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2015 is as follows:				
	<b>Amounts recognized in the Balance Sheet are as follows:</b>				
		Gratuity	Leave	Gratuity	Leave
	Present value of Defined Benefit obligation	212.65	36.39	201.30	35.73
	Fair Value of Plan Assets	274.59	-	245.64	-
	Fund Status {Surplus/(deficit)}	(61.94)	36.39	(44.34)	35.73
	Unrecognized past service cost	-	-	-	-
	Net (Asset)/Liability recognized in Balance Sheet	<u>(61.94)</u>	<u>36.39</u>	<u>(44.34)</u>	<u>35.73</u>
	<b>Amounts recognized in the Profit and Loss Account and charges to Contribution to Funds, Staff Welfare and Insurance Expenditure are as follows:</b>				
	Current Service Cost	11.54	2.05	10.47	2.11
	Past Service Cost	-	-	-	-
	Interest on obligation	16.56	2.88	17.72	3.23
	Expected return on Plan Assets	(20.75)	-	(21.15)	-
	Curtailement Cost	-	-	-	-
	Settlement Cost	-	-	-	-
	Net Accrual Loss/(Gain)	<u>0.62</u>	<u>1.14</u>	<u>1.89</u>	<u>3.88</u>
	Total Expenses recognized in Profit & Loss	<u>7.97</u>	<u>6.07</u>	<u>8.93</u>	<u>9.22</u>
	<b>Reconciliation of opening and closing balances of the present value of the obligations:</b>				
	Opening defined benefit obligation	201.30	35.73	192.55	35.98
	Acquisition Adjustment	-	-	-	-
	Current Service cost	11.54	2.05	10.47	2.11
	Past Service Cost	-	-	-	-
	Interest cost	16.56	2.88	17.72	3.23
	Curtailement Cost	-	-	-	-
	Settlement Cost	-	-	-	-
	Expected Return	-	-	-	-
	Accrual Loss/(Gain)	1.33	1.14	0.03	3.88
	Benefit Paid	<u>(18.07)</u>	<u>(5.41)</u>	<u>(19.46)</u>	<u>(9.47)</u>
	Closing Benefit obligation	<u>212.66</u>	<u>36.39</u>	<u>201.31</u>	<u>35.73</u>
	<b>Change in Fair Value of Plan Asset</b>				
	Opening Fair value of Plan Assets	245.64	-	224.41	-
	Acquisition Adjustment	-	-	-	-
	Settlement Cost	-	-	-	-
	Expected return on Plan Assets	20.75	-	21.15	-
	Actual company contribution	25.56	5.41	21.42	9.47
	Benefits Paid	(18.07)	(5.41)	(19.46)	(9.47)
	Accrual Loss/(Gain)	<u>0.71</u>	<u>-</u>	<u>(1.87)</u>	<u>-</u>
	Planned Asset at the end of the year	<u>274.59</u>	<u>-</u>	<u>245.65</u>	<u>-</u>

## Madhya Bharat Papers Limited

Note No.	Particulars	2014-15		2013-14	
		₹. in lacs		₹. in lacs	
	Actual Return of Planned Assets (Amount)	20.75	–	21.15	–
	<b>Actuarial Assumptions</b>				
	Discount Rate (per Annum) (%)	8.00	8.00	8.25	8.25
	Expected rate of return on Plan Assets (per Annum)	8.00	NA	9.00	NA
	Salary Increases (%)	5.00	5.00	5.00	5.00
	Retirement / Superannuation Age	58		58	
	Mortality	LICI		LICI	
	<b>Major Categories of Plan Assets as a percentage of fair value of the total plan assets:</b>				
	Insurance managed Funds	100%		100%	
	<b>Expected Employer's Contribution for next year</b>				
					The expected contribution for Defined Benefit Plan for the next financial year will be in line with the Financial Year 2014-15
	<b>Basis used to determine the Expected Rate of Return on Plan Assets :</b>				
	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.				
	<b>Basis of estimates of rate escalation in salary</b>				
	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.				
25	<b>Finance Costs</b>				
	(a) Interest Expense				
	Interest to Bank	50.54		44.13	
	Interest to Parties/Distributors	42.66		14.82	
	Interest to Depositors	78.44		93.72	
	Interest to Bank on Vehicle Loan	–		0.62	
	Interest to Others	–		0.43	
	(b) Other Finance Charges	2.54		1.95	
		<b>174.18</b>		<b>155.67</b>	
26	<b>Depreciation and Amortization Expense</b>				
	Depreciation	113.09		208.72	
	Less : Transferred to revaluation reserve	2.81		6.89	
	(Refer Note 3.1)				
		<b>110.28</b>		<b>201.83</b>	



Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs
27	<b>Other Expenses</b>		
(a)	<b>Manufacturing Expense</b>		
	Stores and Spare Parts	57.19	76.98
	Power and Fuel	1195.56	1327.94
	Repair to Machinery	232.60	410.97
	Repair to Building	55.84	61.58
	Dyes and Chemicals	1387.27	1576.85
		<u>2928.46</u>	<u>3454.32</u>
(b)	<b>Administrative Expense</b>		
	Bank Charges	1.21	0.79
	Cash Discount	93.74	104.36
	Donation	0.11	0.12
	Subscription/Membership Fee	7.41	9.59
	General Expenses	9.91	11.58
	Interest on TDS and Other Taxes	–	0.05
	Insurance	10.80	12.79
	Legal and Professional Expenses	72.54	80.16
	Loss on Sale of Fixed Assets/Raw Material	3.20	–
	Newspaper and Periodicals	0.10	0.28
	Prior Period Expenses	(0.21)	0.42
	Payment to the Auditors	1.60	2.00
	Printing and Stationery	2.58	3.30
	Rent	10.07	10.07
	Rates and Taxes	173.09	153.96
	Repair to Other	46.55	44.16
	Watch and Ward Expenses	37.33	6.81
	Postage, Courier and Telephone Expenses	8.83	9.19
	Travelling Expenses	29.89	19.98
	(Including Directors' ₹.22.41 lacs; Previous Year ₹.9.02 lacs)		
	Vehicle Running Expenses	23.28	31.84
	Miscellaneous Expenses	27.50	23.77
		<u>559.53</u>	<u>525.22</u>
(c)	<b>Selling and Distribution Expense</b>		
	Advertisement and Publicity Expenses	4.84	5.50
	Selling and Promotional Expenses	4.71	24.26
	Freight and Cartage (Outward)	102.48	122.90
	Packing Expenses	143.58	191.73
	Sales Commission and Incentives	53.42	75.10
	Sales Tax	7.05	8.95
		<u>316.08</u>	<u>428.44</u>
	<b>Grand Total</b>	<u>3804.07</u>	<u>4407.98</u>

## Madhya Bharat Papers Limited

Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs
27.1	Break-up of Dyes, Chemicals and Stores & Spares consumed :		
		%	%
	(i) Indigenous	99.86	99.67
	(ii) Imported	0.14	0.33
		<u>100</u>	<u>100</u>
		<u>1,443.35</u>	<u>1,652.33</u>
27.2	C.I.F. Value of Imports : Spare Parts	<b>1.19</b>	3.88
27.3	Expenditure in Foreign Currency :		
	Travelling	<b>15.64</b>	2.64
	Others	<b>2.33</b>	1.81
	Prepaid/Advance	<b>3.49</b>	-
27.4	Miscellaneous Expenses includes :		
	(i) Auditors' Remuneration :		
	As Audit Fees	<b>0.75</b>	0.75
	In Other Capacity- For Tax Audit	<b>0.25</b>	0.25
	For Others	<b>0.25</b>	-
	(ii) Cost Auditors' Remuneration	-	0.40
	(iii) Internal Auditors' Remuneration	<b>0.60</b>	0.60
	(iv) Directors' Sitting Fees	<b>1.78</b>	1.63
28	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.28(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 ₹.54.98 lacs, Company has already deposited ₹.4.77 lacs)	<b>54.98</b>	54.94
	(d) Guarantee issued by Company's bankers on behalf of the Company (Margin money of ₹. 13.74 lacs (₹.9.96 lcs)	<b>27.87</b>	27.87
29	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for.	-	-
30	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".		



Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs
(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	5,848.87	7,300.42
(b)	Co-generation -Power Division	689.13	723.81
(c)	Unallocated	89.40	—
	Total	<u>6,627.40</u>	<u>8,024.23</u>
	Less: Inter Segment Revenue sales	<u>(689.13)</u>	<u>(723.81)</u>
		<u>5,938.27</u>	<u>7,300.42</u>
ii.	Segment Result (Profit before tax & Interest and Finance charges)		
(a)	Paper	(646.38)	94.97
(b)	Co-generation -Power Division	84.41	(52.04)
	Total	<u>(561.97)</u>	<u>42.93</u>
	Less: i) Interest & Finance charges	174.18	155.67
	ii) Other un-allocated expenditure net of unallocated income	(73.40)	30.66
	Total Profit before Tax	<u>(662.75)</u>	<u>(143.40)</u>
iii.	Segment Assets		
(a)	Paper	2,927.84	3,105.23
(b)	Co-generation -Power Division	802.75	829.94
(c)	Unallocated	26.77	34.10
	Total	<u>3,757.36</u>	<u>3,969.27</u>
iv.	Segment Liabilities		
(a)	Paper	1,746.69	1,182.79
(b)	Co-generation -Power Division	119.88	55.06
(c)	Unallocated	1,088.20	1,421.03
	Total	<u>2,954.77</u>	<u>2,658.88</u>
v.	Capital Expenditure	12.49	7.61
vi.	Depreciation	110.28	201.83
(d)	The geographical location of Segments is in India only.		

## Madhya Bharat Papers Limited

Note No.	Particulars	2014-15 ₹. in lacs	2013-14 ₹. in lacs
31	Earning per Share (EPS)		
(a)	Net profit available for equity shareholders (Numerator used for calculation)	(423.67)	227.62
(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 (₹)	(12.42)	6.67
(f)	Diluted Earning per share (₹)	(12.42)	6.67
32	(a) Income tax assessments have been completed upto assessment year 2012-13 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.		
33	Related party disclosure		
(a)	List of related parties		
	Associates		
		Poushali Sales Pvt Ltd.	
		Pro Sports Management Ltd	
		Sarda Plywood Industries Ltd	
	Enterprises over which KMP and his relatives have significant influence	Kinship Commercial Pvt. Ltd.	
		Limelight Housing Pvt. Ltd.	
		Sanskriti Trade Link Pvt. Ltd.	
		Varun Khanna	
	Key Management Personnel	Shri Jaydeep Chitlangia (Managing Director)	
		Shri Vinod Kumar Khanna (President & Company Secretary)	
		Shri Jagdish Dua (Chief Financial Officer)	
(b)	Transaction		
	<b>Income :</b>		
	Rent Received		
	Sarda Plywood Industries Ltd	0.12	0.12
	Sale		
	Sarda Plywood Industries Ltd.	89.40	–
	<b>Expenditure:</b>		
	Purchase		
	Sarda Plywood Industries Ltd	–	0.08
	Rent Paid		
	Sarda Plywood Industries Ltd	0.06	0.06
	Interest Paid		
	Kinship Commercial Pvt. Ltd.	0.90	0.86
	Limelight Housing Pvt. Ltd.	2.40	2.28
	Poushali Sales Pvt Ltd	59.58	80.47
	Sanskriti Trade Link Pvt. Ltd.	2.70	2.56
	Paid to Key Management Personnel		
	Salary & Other Amenities	61.63	49.52
	Contribution to Provident Fund and other Funds	11.83	15.21
		<b>73.46</b>	<b>64.73</b>



<b>Note No.</b>	<b>Particulars</b>	<b>2014-15 ₹. in lacs</b>	<b>2013-14 ₹. in lacs</b>
(c)	Finance & Investment		
	Loan Paid		
	Poushali Sales Pvt Ltd	<b>(334.61)</b>	(119.93)
	Loan Received		
	Poushali Sales Pvt Ltd	<b>61.05</b>	38.79
(d)	Balance Outstanding at year end : Net Loan paid (+)/Received(-)		
	Loan Payable		
	Kinship Commercial Pvt. Ltd.	<b>7.50</b>	7.50
	Limelight Housing Pvt. Ltd.	<b>20.00</b>	20.00
	Poushali Sales Pvt Ltd	<b>413.37</b>	614.50
	Sanskriti Trade Link Pvt. Ltd.	<b>22.50</b>	22.50
	Interest Payable(net)		
	Kinship Commercial Pvt. Ltd.	<b>0.13</b>	—
	Limelight Housing Pvt. Ltd.	<b>0.35</b>	—
	Poushali Sales Pvt Ltd	<b>53.62</b>	72.42
	Sanskriti Trade Link Pvt. Ltd.	<b>0.39</b>	—
	Payable against Supplies		
	Varun Khanna	<b>37.50</b>	49.50
	Investment in Shares		
	Pro Sports Management Ltd	<b>1.00</b>	1.00
	Sarda Plywood Industries Ltd	<b>23.39</b>	23.39
	Receivable		
	Sarda Plywood Industries Ltd.	<b>15.57</b>	—

34 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.

35 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 SAWARMAL AGRAWAL & CO.**

*Chartered Accountants*

*(F.R.No.318164E)*

**S. M. AGRAWAL**

*Proprietor*

*(M.No. 53923)*

**Kolkata : 28th May, 2015**

**V.K. KHANNA**

*President &  
Company Secretary*

**JAYDEEP CHITLANGIA**

*Managing Director*

**R. L. KAPUR**

*Director*

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