



HARDOLL PAPER MILLS LIMITED

**24th ANNUAL REPORT
2017 - 2018**



BOARD OF DIRECTORS

KAILASH AGARWAL (DIN 00367292)	-	MANAGING DIRECTOR
ANIL KUMAR LAKHOTIYA (DIN 00367361)	-	JOINT MANAGING DIRECTOR
JARNAIL SINGH SAINI (DIN 00367656)	-	EXECUTIVE DIRECTOR

ADDITIONAL BOARD OF DIRECTORS

OMPRAKASH RATHI (DIN 00895316)	-	EXECUTIVE DIRECTOR
NARASIMHAN VARADARAJAN (DIN 08177714)	-	INDEPENDENT NON EXECUTIVE DIRECTOR
PREM KEWALRAMANI (DIN 08177725)	-	INDEPENDENT NON EXECUTIVE DIRECTOR
PRIYANKA DESHMUKH (DIN 08177708)	-	INDEPENDENT NON EXECUTIVE WOMAN DIRECTOR

REGISTERED OFFICE

Krishna Kunj, First Floor, Bhavsar Chowk,
Central Avenue, Nagpur 440 032

BANKERS

State Bank of India,
Nagpur

WORKS

Survey No. 67,
Village Hardoll,
Taluka Katol,
Dist. Nagpur,
Maharashtra State

AUDITORS

Darak And Associates
Chartered Accountants,
304, Mahalaxmi Complex,
23, Central Avenue,
Nagpur - 440002

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of **Hardoli Paper Mills Limited** will be held at the Registered Office of the Company situated at Krishna Kupa, First Floor, Bhavsar Chowk, Central Avenue, Nagpur 440002, on Friday, the 31st August, 2018 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. J. S. Sarin (DIN-00367658), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. DARAK & ASSOCIATES, Chartered Accountants, Nagpur (Firm Registration No. 132816W) be and is hereby appointed as Statutory Auditors of the Company, to hold office for a period of consecutive five years commencing from the financial year 2018-19 on such remuneration that may be determined by audit committee with the consultation of auditors.

SPECIAL BUSINESS

4. **Appointment of Mr. Narasimhan Varadarajan as an Independent Director**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (herein after referred to as 'Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, **Mr. Narasimhan Varadarajan (DIN:08177714)**, who was appointed as an Additional Director w.e.f. 26th July, 2018 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who has given a declaration that he meets the criteria of independence as provided in sub-section (ff) of Section 149 of the Act and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the said Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee thereof be and is hereby authorized to do all such acts, deeds, matter and things and take all such steps as may be necessary, proper or expedient to give effect to the resolution.

5. **Appointment of Mr. Prem Kewalramani as an Independent Director**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (herein after referred to as 'Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, **Mr. Prem S. Kewalramani (DIN:08177725)**, who was appointed as an Additional Director w.e.f. 26th July, 2018 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who has given a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the said Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee thereof be and is hereby authorized to do all such acts, deeds, matter and things and take all such steps as may be necessary, proper or expedient to give effect to the resolution.

6. **Appointment of Mrs. Priyanka P. Deshmukh as an Independent Director**

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



NOTICE (Contd.)

***RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (herein after referred to as 'Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, **Ms. Priyanka Praful Deshmukh (DIN:08177708)**, who was appointed as an Additional Director w.e.f. 26th July, 2018 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who has given a declaration that she meets the criteria of independence as provided in sub-section (5) of Section 149 of the Act and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the said Act, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office upto the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2023.

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

7 **Appointment of Mr. Omprakash D. Rathi as Director of the Company**

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

***RESOLVED THAT**, **Mr. Omprakash D. Rathi (DIN:008953116)** who was appointed as an Additional Director by the Board of Directors with effect from 26th July, 2018 and who was in terms of section 161 of the Companies Act, 2013 (including any statutory Modification(s) or re-enactment for the time being in force) holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act 2013, proposing his candidature for the office of Director, be and is hereby appointed Director of the Company liable to retire by rotation.

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

8 **Re-appointment of Mr. Kailash Chand Agarwal as Managing Director of the Company.**

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

***RESOLVED THAT** pursuant to the of Section 197 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof) consent of the members of Members be and is hereby accorded for re-appointment of **Mr. Kailash Chand Agarwal (DIN:0367292)** as Managing Director of the Company on a remuneration of Rs. 1,40,000/- (Rupees One Lac Forty Thousand Only), per month with effective from 1st April 2018, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment including increase in remuneration on annual basis, not exceeding 25% of previous year remuneration subject to limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Kailash Chand Agarwal."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution."

9 **Re-appointment of Mr. Anilkumar M. Lakhotiya as Whole Time Director (Designated as Joint- Managing Director) of the Company.**

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

***RESOLVED THAT** pursuant to the of Section 197 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof)

NOTICE (Contd.)

consent of the members of Members be and is hereby for re-appointment of **Mr. Anilkumar M. Lakhotiya (DIN:0367381)** as Whole-Time Director (Designated as Jt. Managing Director) of the Company on a remuneration of Rs. 1,40,000/- (Rupees One Lac Forty Thousand Only) per month with effective from 1st April 2018 whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment including increase in remuneration on an annual basis not exceeding 25% of previous year remuneration subject to limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Anilkumar M. Lakhotiya."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution."

10. Re-appointment of Mr. Jarnalisingh S Saini, as Whole Time Director (Designated as Executive Director) of the Company.

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

RESOLVED THAT pursuant to the of Section 197 and other applicable provisions of the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof), consent of the members of Members be and is hereby accorded for re-appointment of **Mr. Jarnalisingh S. Saini, (DIN:0367656)** as Whole Time Director (Designated as Executive Director) on a remuneration of Rs. 80,000/- (Rupees Sixty Thousand Only) per month with effective from 1st April 2018 whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment including increase in remuneration on annual basis not exceeding 25% of previous year remuneration subject to limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Jarnalisingh S. Saini."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution."

11. Appointment of Mr. Omprakash D. Rathi as Whole Time Director of the Company.

RESOLVED THAT pursuant to the of Section 195, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Companies Act 2013 (including any statutory modification(s) or re-enactment (s) thereof), consent of the members of Members be and is hereby accorded to the appointment of **Mr. Omprakash D. Rathi (DIN:00895316)** as Whole Time Director (Designated as Executive Director) of the Company for a period of 5 years with effective from 26th July 2018 on a Remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) per month, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment including increase in remuneration on annual basis not exceeding 25% of previous year remuneration subject to limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Omprakash D. Rathi."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution."





ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4:

The Board of Directors, at its meeting held on 26th July, 2018, appointed Mr. Narasimhan Varadarajan as an Additional Director of the Company with effect from 26th July, 2018, pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company. Mr. Narasimhan Varadarajan will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Narasimhan Varadarajan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received necessary declaration from Mr. Narasimhan Varadarajan to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013 and Declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 149 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the appointment of Mr. Narasimhan Varadarajan as an Independent Director of the Company, not being liable to retire by rotation, for a period 5 years i.e. upto the conclusion of 29th Annual General Meeting of the Company. In the opinion of the Board, Mr. Narasimhan Varadarajan, proposed to be appointed as the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the Management.

A copy of the draft letter for the appointment of Mr. Narasimhan Varadarajan as an Independent Director setting out the terms and conditions is available for inspection by the members, without any fees, at the Company's registered office.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Narasimhan Varadarajan, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 4 for appointment of Mr. Narasimhan Varadarajan as an Independent Director of the Company.

ITEM NO. 5:

The Board of Directors, at its meeting held on 26th July, 2018, appointed Mr. Prem Kewalramani as an Additional Director of the Company with effect from 25th July, 2018, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Mr. Prem Kewalramani will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Prem Kewalramani for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received necessary declaration from Mr. Prem Kewalramani to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013 and Declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 149 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the appointment of Mr. Prem Kewalramani as an Independent Director of the Company, not being liable to retire by rotation, for a period 5 years i.e. upto the conclusion of 29th Annual General Meeting of the Company. In the opinion of the Board, Mr. Prem Kewalramani, proposed to be appointed as the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

A copy of the draft letter for the appointment of Mr. Prem Kewalramani as an Independent Director setting out the terms and conditions is available for inspection by the members, without any fees, at the Company's registered office.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Prem Kewalramani, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 5 for appointment of Mr. Prem Kewalramani as an Independent Director of the Company.

ITEM NO. 6:

The Board of Directors, at its meeting held on 26th July, 2018, appointed Mrs. Priyanka P. Deshmukh as an Additional Director of the Company with effect from 25th July, 2018, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Ms. Priyanka P. Deshmukh will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Ms. Priyanka P. Deshmukh for the

ANNEXURE TO NOTICE (Contd.)

office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received necessary declaration from Ms. Priyanka P. Deshmukh, to the effect that she is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013 and Declaration to the effect that he meets the criteria of independence as provided in Sub-section (5) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 149 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the appointment of Ms. Priyanka P. Deshmukh as an Independent Director of the Company, not being liable to retire by rotation, for a period 5 years i.e. upto the conclusion of 29th Annual General Meeting of the Company. In the opinion of the Board, Ms. Priyanka P. Deshmukh, proposed to be appointed as the Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management.

A copy of the draft letter for the appointment of Ms. Priyanka P. Deshmukh as an Independent Director setting out the terms and conditions is available for inspection by the members, without any fees, at the Company's registered office.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Ms. Priyanka P. Deshmukh, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 6 for appointment of Ms. Priyanka P. Deshmukh as an Independent Director of the Company.

ITEM NO. 7:

The Board of Directors, at its meeting held on 26th July, 2018, appointed Mr. Omprakash D. Rathi as an Additional Director of the Company with effect from 26th July, 2018, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Mr. Omprakash D. Rathi will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Ms. Omprakash D. Rathi for the office of Director, to be appointed as such under the provisions of the Companies Act, 2013. The Company has received necessary declaration from Mr. Omprakash D. Rathi to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Omprakash D. Rathi, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 7 for appointment of Mr. Omprakash D. Rathi as Director of the Company.

ITEM NO. 8:

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 196, 197 & 203 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the re-appointment of Mr. Kailash Chandra Agrawal, Managing Director, of the Company for a period of 5 years with effective from 1st April 2018, liable to retire by Rotation.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Kailash Chandra Agrawal, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 8 for appointment of Mr. Kailash Chandra Agrawal, as Managing Director.

ITEM NO. 9:

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 196, 197 & 203 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the re-appointment of Mr. Anilkumar M. Lekhotiya as Whole Time Director (Designated as Jt. Managing Director) of the Company for a period of 5 years with effective from 1st April 2018, liable to retire by Rotation.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Kailash Chandra Agrawal, to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 9 for appointment of Mr. Anilkumar M. Lekhotiya as Whole Time Director (Designated as Jt. Managing Director).



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ITEM NO. 10:

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 196, 197 & 203 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the re-appointment of Mr. Jamalsingh S. Saini as Whole Time Director (Designated as Executive Director) of the Company for a period of 5 years with effective from 1st April 2018 liable to retire by Rotation.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Kalash Chand Agarwal to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 8 for appointment of Mr. Jamalsingh S. Saini as Whole Time Director (Designated as Executive Director).

ITEM NO. 11:

The Board of Directors of the Company, at its meeting held on 26th July, 2018, in accordance with the provisions of Section 196, 197 & 203 of the Companies Act, 2013 and subject to the approval of the members in the ensuing Annual General Meeting, have approved the appointment of Mr. Omprakash D. Rathi as Whole Time Director (Designated as Executive Director) of the Company for a period of 5 years with effective from 26th July 2018 liable to retire by Rotation.

None of the Directors or Key Managerial Personnel (KMP) of the Company or relatives of the Directors and KMP except Mr. Omprakash D. Rathi to whom the resolution relates, is concerned or interested, financially or otherwise, in this Resolution. Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 8 for appointment of Mr. Omprakash D. Rathi as Whole Time Director (Designated as Executive Director).

Details of Director seeking Appointment / reappointment in Annual General Meeting fixed for 31st August 2018

Name of Director	Mr. Narasimhan Varadarajan (DIN: 08177714)	Mr. Prem Kewatramani (DIN: 08177725)	Mrs. Priyanka P. Deshmukh (DIN: 08177708)
Date of Birth	02/06/1953	01/11/1958	15/05/1985
Date of Appointment	26th July 2018	26th July 2018	26th July 2018
Expertise in specific functional areas	Having more than 40 years experience in the field of Finance, Accounts & Taxation	Having rich experience in the field of Taxation, Accounts & Legal Matters	Having experience in the field management & marketing.
Directorship in other Indian Public Limited Companies as on 31.03.2018	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2018	Nil	Nil	Nil
No. of Shares held in the Company	Nil	Nil	Nil
Disclosure in terms of Regulation 36(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	None of the Directors and KMP are related to Mr. Narasimhan Varadarajan	None of the Directors and KMP are related to Mr. Prem Kewatramani	None of the Directors and KMP are related to Mrs. Priyanka P. Deshmukh

ANNEXURE TO NOTICE (Contd.)

Name of Director	Mr. Kallash Chandra Agrawal (DIN: 00367292)	Mr. Anilkumar M. Lakhota (DIN: 00367363)	Mr. Jarnalsingh S. Saini (DIN: 00367656)	Mr. Omprakash D. Rathi (DIN: 00995316)
Date of Birth	03/03/1946	23/01/1952	05/06/1948	11/05/1952
Date of Appointment	24th May, 1995	24th Feb. 1995	24th Feb., 1995	26th July, 2018
Expertise in specific functional areas	N.A.	N. A.	N. A	Kaygaon Paper Mills Ltd
Directorship in other Indian Public Limited Companies as on 31.03.2018	Nil	Nil	Nil	Two
Chairman/Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2018	Nil	Nil	Nil	Two
No. of Shares held in the Company	Nil	Nil	Nil	Chairman-1
Disclosure in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	177300	176100	84600	228900
	None of the Directors and KMP are related to Mr. Kallash Chandra Agrawal	None of the Directors and KMP are related to Mr. Anilkumar M Lakhota	None of the Directors and KMP are related to Mr. Jarnalsingh S. Saini	None of the Directors and KMP are related to Mr. Omprakash D. Rathi

NOTES FOR MEMBERS' ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
3. Instruments appointing proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
4. Corporate members intending to send their Authorized Representatives to attend the meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The members/proxies are requested to bring duly filled in attendance slips for attending the meeting and members/proxies are also requested to bring a copy of the Annual Report to the meeting.
6. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 24th August, 2018 to Friday, 31st August, 2018 (both days inclusive).
7. Members seeking any information or clarification with regard to the accounts, are requested to write to the Company at least TEN DAYS in advance of the meeting so as to enable the Company to keep the information ready.
8. Members are requested to intimate the Registrar and Transfer Agents of the Company M/s MCS Share Transfer Agent Limited 002, Ground Floor, Kashiram Jamnadas Building 5, P. Demello, Masjid East, Mumbai - 400009 immediately, of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialization form.



ANNEXURE TO NOTICE (Contd.)

9. Members who are holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents of the Company.
11. Members who have not registered their e-mail address so far are requested to register their email address so that they can receive the Annual Report and other communication from the company electronically.
12. A Statement pursuant to Section 102 of the Companies Act, 2013 related to Special Business to be transacted at the meeting is annexed hereto.
13. Voting through electronic means.

INSTRUCTIONS FOR REMOTE E-VOTING

- Pursuant to Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration), rules, 2014, as substituted by the Companies (Management and Administration), Amendment, Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 the Members are provided with the facility to cast their vote electronically on the resolution proposed to be passed at the AGM through the e-voting services provided by (CDSL). The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/ are deemed to have been passed as if they have been passed at the AGM.
- The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 24th August, 2018**, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
- The facility for voting through electronic voting system or polling paper shall made be available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM. The Members who have cast their vote by e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- The voting period will commence at 9.00 a.m. on **Tuesday, 28th August, 2018 and will close at 5.00 pm on Thursday, 30th August, 2018**. In addition, the facility for voting shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by e-voting shall be eligible to vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING:

1. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - (i) Now, select the "HARDOLL PAPER MILLS LIMITED" from the drop down menu and click on "SUBMIT".
 - (ii) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID.
 - b) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iii) Next enter the Image Verification as displayed and Click on Login.
 - (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id./ folio number in the Dividend Bank details field.

ANNEXURE TO NOTICE (Contd.)

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <HARDOLI PAPER MILLS LIMITED> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and the Image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than individuals, HUF and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdsindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdsindia.com and an approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) 1. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories), initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
2. Please follow all steps for e-voting for shareholders holding shares in physical mode to cast vote, as given above.
- (B) The voting period begins on **Tuesday, 28th August, 2018 at 9.00 am and closed at 5.00 pm on Thursday, 30th August, 2018**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.



ANNEXURE TO NOTICE (Contd.)

- (D) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@odsl.co.in. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.odsl.com.
- (E) The Board of Directors has appointed M/s. Gish Murarka & Co., Practising Company Secretary (Membership No. 4576) as the Scrutinizer to scrutinize the remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (F) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (G) The Chairman or authorized representative shall declare the results of the electronic voting after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company in the annual reports section.
- (H) The investors may contact the Compliance Officer for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the Compliance officer at the following e-mail address: grievance@tpindia.com.

By Order of the Board
For Hardoli Paper Mills Limited

KAILASH CHAND AGARWAL
(DIN 00367292)
MANAGING DIRECTOR

ANILKUMAR M. LAKHOTIYA
(DIN 00367361)
JOINT MANAGING DIRECTOR

Regd. Office:

Krishna Kunj, First Floor,
Bhavsar Chowk, Central Avenue, Nagpur-440002

Place: Nagpur
Date: 26/7/2018

DIRECTORS' REPORT

**TO
THE MEMBERS
HARDOLI PAPER MILLS LIMITED**

Your Directors have pleasure in submitting the Twenty Fourth Annual Report together with Audited Financial Statement of the Company for the year ended on 31st March, 2018.

FINANCIAL RESULTS

The Company's financial performance, in the year ended March 31, 2018 as shown below:

(Amount Rupees in Lacs)

Particulars	For the year ended 31-3-2018	For the year ended 31-3-2017
Income from operations (including other income)	8997.17	6850.44
Profit before interest, Depreciation, Tax and extra-ordinary items	793.85	306.94
Less : Interest	180.13	193.81
Profit before Depreciation, Tax and extra-ordinary items	613.72	113.13
Less : Depreciation	168.59	164.63
Profit before Tax and extra-ordinary items	445.13	(51.49)
Add / (Less) Extra-ordinary item	-	-
Profit / (Loss) before Tax	445.13	(51.49)
Less: Provisions for Tax including deferred tax	168.41	14.90
Profit / (Loss) After Tax	276.72	(36.59)
Balance brought forward	264.69	304.80
Add/(Less): Prior period Adj.	3.80	(3.51)
Balance Brought Forward after Prior Period Adj.	268.49	301.29
Amount Available for appropriation	545.21	264.69
APPROPRIATIONS		
Proposed Dividend	-	-
Corporate Tax Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	545.21	264.69

OPERATION AND STATE OF COMPANIES AFFAIRS

The expansion of capacities which was undertaken in the financial year 2014-15 gets completed during 2015-16 as a result of which the Income from operation has gone up by 30% and EBITDA gone up from Rs. 306.94 Lac to Rs. 793.85 Lac which shows an increase by 158.63% as compared to last year.

The improved performance on account of expansion of capacities resulting in economies in scale of operation. The Company is yet to achieve the optimum capacity utilization which the Management is expected to achieve in the years to come which will result in improved Bottom Line.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under relevant Listing Regulation, the Management Discussion and Analysis Report is enclosed as part of this Annual Report.

LISTING OF SHARES WITH METROPOLITAN STOCK EXCHANGE OF INDIA

The Shares of the Company got listed with Metropolitan Stock Exchange of India vide its letter reference MSE / LIST / 2018 / 58 dated 4th January, 2018.



DIRECTORS' REPORT (Contd.)

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenue to the Directors and employees to bring to the attention of the Management, the concern about the behavior of employees that raise concern including fraud by using the mechanism provided in the Whistle Blower Policy.

DIVIDEND

With a view to conserve resources, Your Directors do not recommend any dividend on the equity shares for the year.

DISCLOSURE

PARTICULARS OF EMPLOYEES

There was no employees drawing a salary exceeding Rs. 60,00 Lac per annum or Rs. 5,00 Lac per month, (if employed for the part of the year as prescribed under the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

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

Information pursuant to Sub-section 3(m) of section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Your Company is constantly been trying to make optimum use of power by installation of necessary power saving equipments.

ii) POWER & FUEL CONSUMPTION

Financial Year	Year Ended 31.03.2018	Year Ended 31.03.2017
Nagpur – 440002	9377640	7820790
Total Amount in Rs.	6,43,45,044	5,54,27,900
Rate per unit	₹ 6.86 per unit	₹ 7.09 per unit
Coal Consumption in MT	14,838.85 MT	12,882.24 MT
Total Amount in Rs.	6,68,19,717.00	4,78,99,872.00
Rate per unit in Rs.	₹ 4503.03 MT	₹ 3718 / MT
Fire Wood Consumption in Kg	-	-
Total Amount in Rs.	-	-
Rate Per Unit in Rs.	-	-

B. TECHNOLOGY ABSORPTION

The Technology used by the Company is simple and is indigenously available.

C. FOREIGN EXCHANGE EARNING & OUTGO

The Company has spent a sum of Rs. 1043.27 Lacs (Rs. 1109.96 Lacs/-) on import of raw material, Stores and capital goods.

The earning in foreign currency is Rs. Nil (Rs. Nil).

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiaries, Joint Venture and associate companies during the year.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DIRECTORS' REPORT (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The requirement as per section 135 of the Companies Act, 2013 read with relevant Rules, disclosure to include in an Annual Report on CSR activities containing the particulars specified in the Rules are not attached hereto as this is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, your Directors submit:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departure;
- (ii) That the Director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the current year on 31st March, 2018 and of the Profit or Loss of the Company for the year ended 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the Annual Accounts of the Company on a going concern basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT**Statutory Auditor**

At the Annual General Meeting held on 1st September, 2017 M/s Ashok S. Jain Chartered Accountants, Mumbai was appointed as Statutory Auditor of the Company, but he tendered his resignation vide letter dated 2nd April, 2018 from the position of Statutory Auditor. At Extraordinary General Meeting held on 14th May, 2018 M/s DARAK & ASSOCIATES, Chartered Accountants, Nagpur was appointed as Statutory Auditor for the financial year 2017-18 and he held office till the conclusion of ensuing Annual General Meeting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2017-18, there was no change in the composition of the Board of Directors.

Mr. J. S. Sani (DIN 00267056) retire by rotation from the Board and being eligible offers himself for re-appointment.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s GIRISH MURARKA & CO., Company Secretaries in Practice having Membership Number 7036 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the year 2017-18 as issued by him in the prescribed Form MR-3 is annexed to this Report.

PUBLIC DEPOSITS

During the year the Company has not accepted or renewed any deposits from the public as covered under section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

The Authorized Share Capital of the Company as on 31st March, 2018 is Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lac only) divided into 35,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lac only).

There has been no change in the Equity Share Capital of the Company during the financial year 2017-18.

The Issued, Subscribed and Paid up capital of the Company as on 31st March, 2018 is 2,69,22,650/- (Rupees Two Crore Sixty Nine Lac Twenty Two thousand Six Hundred Fifty only) divided into 26,92,265 Equity Shares of Rs. 10/- each aggregating to Rs. 2,69,22,650/- (Rupees Two Crore Sixty Nine Lac Twenty Two Thousand Six Hundred Fifty only).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

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

COST AUDIT

The provisions of Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company.



DIRECTORS' REPORT (Contd.)

MEETINGS OF THE BOARD

Twelve Meetings of Board of Directors were held during the year, the details of which is as under

Date of Meeting	Board Strength	No. of Directors Present
13/04/2017	3	3
18/05/2017	3	3
30/05/2017	3	3
31/07/2017	3	3
01/09/2017	3	3
24/10/2017	3	3
09/11/2017	3	3
12/11/2017	3	3
08/01/2018	3	3
12/01/2018	3	3
10/02/2018	3	3
13/02/2018	3	3

RISK MANAGEMENT POLICY

The Risk Management Policy is formulated and implemented by the Company in compliance with the provisions of the New Companies Act, 2013. The Policy helps to identify the various elements of risks faced by the Company, which in the opinion of the Board threatens the existence of the Company.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Loans, guarantees and investment covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of Contracts or arrangements with related parties referred to in section 186(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure I to this Board's Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure II of this Report.

OTHER DISCLOSURES

- Your Company has not issued -
- Any shares with differential rights
- Any sweat equity shares
- There were no material changes and commitments affecting the financial position of your Company between the end of financial year and the date of this report.
- There was no revision in the financial statements
- Your Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ACKNOWLEDGEMENTS

Your Director acknowledge with gratitude the co-operation extended by the Company's Bankers, Registrars, consultants and government/semi government authorities. The Directors also place on record their appreciation for sincere efforts put in by the employees at all level.

Regd. Office:

Krishna Kunj, First Floor
Bhavsar Chowk, Central Avenue,
Nagpur 440002
Date: 30.05.2018

By Order of the Board
KAILASH CHAND AGARWAL
MANAGING DIRECTOR
(DIN - 00367292)

ANILKUMAR M. LAKHOTIYA
JOINT MANAGING DIRECTOR
(DIN - 00367361)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- a) **Industry / Products:**
The Company is engaged in manufacture of Kraft Paper and Board, which finds its application in the packaging industries, especially for making corrugated boxes. Over the years the Company has undergone several phases of expansion & has an installed capacity of 60000 MT per Annum. The Company manufactures Kraft Paper of various Grades.
- b) **Opportunities:**
The booming automobiles, pharma, food & beverages, electric equipments & textiles in the developing economies of India and have augmented the demand of Kraft Paper. The continued growth expected in all above sector in India as well as the overall economy recover from the recent slowdown expected to boost the uptake of Kraft Paper market, which also projected to have positive impact on Company's growth. For all above marketing strategy, we are having well established Dealer's network for marketing to all over India span.
- c) **Threat and challenges:**
The Business in which the Company is engaged in Labour intensive. Thus the Shortage of Manpower may affect the production. However the Management has adequate system in place to constantly monitoring Manpower requirement, provide internal training.
- d) **Future Outlook:**
The growing adoption of sustainable packaging with biodegradable and eco-friendly material has triggered a huge demand for Kraft Paper in recent times. The demand for this type of paper is expected to soar in the coming years as the material shows eco-friendly as well as environment friendly equal to synthetic or Plastic materials. Some of the factors that are expected to have the demand for Kraft Paper are features. Such as porosity, Extensibility, Printability, durability. Furthermore, this paper is also known to offer an exceptional high Tensile Energy Absorption and is thus being used for Industrial & consumer packaging. Thus it has earned the status of being excellent substitute for Plastics that are regularly used in Industrial & Consumer Packaging.
- The Management has embarked on operational excellence and Business Strategic Growth. Fresh Steps have been taken to improve cost effectiveness, excellence in product quality, customer service and operational productivity.
- e) **Internal Control System**
The Company has adequate system of internal controls with regards to purchase of stores, raw materials including components of Plant & Machinery, equipment, sale of goods and other assets. The internal control system is supplemented by well documented policies and guidelines and is conducted by outside Audit Firm.
- f) **Financial and Operational Performance**
The expansion of capacities which was undertaken in 2014-15 was completed in 2015-16. Due high volume of operation and economies of high volume is seen in the year under review. The EBITDA which was Rs. 309.62 Lac has gone to Rs. 787.72 Lac showing an increase of 154.42% though the income from operation has gone by just 30% as compared to previous financial year. The Management foresees even better performance with optimum utilization of enhance capacities.
- g) **Human Resource Development**
Human resource is the most important resource in Management and needs to be used efficiently. The Company views its employees as valuable resources who are important stakeholders in growth, prosperity and development of organization. The Company is committed to provide necessary training / conduct development program to imbibe necessary skill required with the employees. The Management of the Company enjoys cordial relations with its employees at all level.



ANNEXURE - III

Form : MGT - 9

Extract of Annual Return as on the financial year ended on March 31, 2018

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

REGISTRATION AND OTHER DETAILS		
1. CIN	U21010MH1995PLC05883	
2. Registration Date	24/02/1995	
3. Name of the Company	HARDOLI PAPER MILLS LIMITED	
4. Category/Sub-Category of the Company	Company Limited by Shares	
5. Address of Registered Office and Contact Details	First Floor, Krishna Kunj, Bhavsar Chowk, C.A. Road, Naggur 440 002 Email ID - hardolipaper@gmail.com Tele : 0712-2770966, 2733846 Fax-0712-2770168	
6. Name, Address and Contact Details of Registrar and Transfer Agent	MCS Share Transfer Agent Limited 002, Ground Floor, KeshiramJainnadas Building, 5 P'Demellow Road, Masjid East, Mumbai 400 009 Email ID - helpdeskmum@mcsregistrars.com Website - www.mcsregistrars.com Tele : 022-40206022/23/24 Fax - 022-40206021	
PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
All the business activities contributing 10% or more of the total turnover of the Company		
NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICE	NIC CODE OF PRODUCT/ SERVICE	% OF TOTAL TURNOVER
Kraft Paper	48042900	100%
PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY - NOT APPLICABLE		
1. Category-wise Shareholding	As per Annexure "A"	
2. Shareholding of the Promoter	As per Annexure "B"	
3. Changes in Promoters' Holding	No Change	
4. Shareholding of Top Ten Shareholders (Other than Director, Promoter and Holder (GDRs and ADRs)	As per Annexure "C"	
5. Shareholding of Directors and Key Managerial Personnel	As per Annexure "D"	
INDEBTEDNESS Indebtedness of the Company including interest outstanding / accrued But not due	As per Annexure "E"	
REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	As per Annexure "F"	
PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE	Not Applicable	

ANNEXURE "A"

CATEGORY - WISE SHAREHOLDING

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of changes during year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter and Promisor Group									
1)	Indian									
a)	Individual / HUF	648000	231970	879970	32.6651	115000	714370	829370	30.8279	1.8572
b)	Central / State Govt.	0	0	0	0	0	0	0	0	
c)	Bodies Corporate	0	0	0	0	0	0	0	0	
d)	Fin. / Bank	0	0	0	0	0	0	0	0	
e)	Others	0	0	0	0	0	0	0	0	
	Sub-Total A(1)	648000	231970	879970	32.6651	115000	714370	829370	30.8279	1.8572
2)	Foreign									
a)	Individual (NRI / Foreign / Individuals)	0	0	0	0	0	0	0	0	
b)	Bodies Corporate	0	0	0	0	0	0	0	0	
c)	Institutions	0	0	0	0	0	0	0	0	
d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	
e)	Others	0	0	0	0	0	0	0	0	
	Sub-Total A(2)	0	0	0	0	0	0	0	0	
	Sub-Total A(1)+A(2)	648000	231970	879970	32.6651	115000	714370	829370	30.8279	1.8572
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	
b)	Fin. and Banks	0	0	0	0	0	0	0	0	
c)	Central / State Govt.	0	0	0	0	0	0	0	0	
d)	Venture Capital Fund	0	0	0	0	0	0	0	0	
e)	Insurance Company	0	0	0	0	0	0	0	0	
f)	Foreign Institutional Investor	0	0	0	0	0	0	0	0	
g)	Foreign Venture Capital Investor	0	0	0	0	0	0	0	0	
h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	
i)	Other - FDI	0	0	0	0	0	0	0	0	
	Sub-Total B(1)	0	0	0	0	0	0	0	0	Nil
2)	Non-Institutions									
a)	Bodies Corporate Indian Overseas	0	8000	8000	0.3887	0	55000	55000	2.0429	1.8572
b)	Individuals holding nominal Capital upto Rs. 2 Lac.	36775	667403	664178	26.7842	38850	665222	826072	34.3376	(8.6133)
	Holding nominal capital in excess of Rs. 2 Lac.	804777	298340	1103117	40.9736	213650	667573	871223	32.9802	(8.6133)
c)	Others - Specify Non Resident Indians	0	10000	10000	0.3714	0	10000	10000	0.3714	Nil
	Sub-Total B(2)	841552	970743	1812295	67.3149	253500	1608795	1862295	69.1721	Nil
C	Shares held by Custodian for ADRs	0	0	0	0				0	
	Grand Total	1489552	1202713	2692265	100.00	368500	2323165	2692265	100.00	Nil



ANNEXURE "B"

SHAREHOLDING OF PROMOTER

Sr. No.	Name of the Shareholder	At the beginning of the year			At the end of the year			% of change during year
		No. of Shares	% of Total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of Total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Dipankash Rathi	287380	9.93	0	287380	9.93	0	0
2	Mr. Kalashchandra P Agarwal	231495	8.60	0	231495	8.60	0	0
3	Mr. Rajiv Behal	100	0.00	0	100	0.00	0	0
4	Mr. Jamal Singh Saini	108105	4.01	0	108105	4.01	0	0
5	Mr. Anikumar Lakhota	236295	8.78	0	236295	8.92	0	1.66
6	Pragnan Singh Saini	2600	0.10	0	2600	0.10	0	0
7	Kamal K. Agarwal	34015	1.29	0	34615	1.29	0	0

ANNEXURE "C"

SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTOR, PROMOTER AND HOLDERS OF ADRs AND GDRs)

Sr. No.	Name of the Shareholder	Shareholding			Cumulative Shareholding During The Year	
		No. of Shares at the beginning Of the year	% of Total shares of the Company	% of changes increase / Decrease	No. of Shares	% of Total shares of the Company
1	Mr. Jugakishore Dhoot	111800	111800	0.00	111800	4.15
2	Mr. Akshay O. Rathi	224985	224985	0.00	224985	8.38
3	Mrs. Manjla Rathi	151115	151115	0.00	151115	5.62
4	Mrs. Snehalata Lakhota	77900	77900	0.00	77900	2.89
5	Mr. Gaurav A. Lakhota	89705	89705	0.00	89705	3.29
6	Ms. Geeta Lakhota	24700	24700	0.00	24700	0.92
7	Mr. Jaswan Saini	35800	35800	0.00	35800	1.30
8	Anikumar Lakhota HUF	86578	86578	0.00	86578	3.22
9	Kalashchandra Agarwal HUF	62790	62790	0.00	62790	2.33
10	Bajji Singh Saini	35635	35635	0.00	35635	1.32

ANNEXURE "D"

SHAREHOLDING DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of the Shareholder	Shareholding			Cumulative Shareholding During The Year	
		No. of Shares at the beginning	No. of Shares at the end of the year	% of changes increase / Decrease	No. of Shares	% of Total shares of the Company
1	Mr. Kalashchandra P Agarwal	231495	231495	0.00	231495	8.60
2	Mr. Anikumar M. Lakhota	186295	236295	1.66	236295	8.77
3	Jatnalingh Saini	108105	108105	0.00	108105	4.01

ANNEXURE "E"

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

	Secured Loan Excluding Deposit	Unsecured Loan	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year:				
a) Principal Amount	83931175.00	30998818.00	0	89927993.00
b) Interest due but not paid	0	0	0	0
c) Interest accrued but not due	769497.00	0	0	769497.00
TOTAL	84700672.00	30998818.00	0	100697488.00
Changes in Indebtedness during the financial year:				
a) Addition	24390031.00	12811207.00	0	74,84,96,547
b) Reduction	-41429079.00	-6960052.00	0	75,25,15,186
NET CHANGE	-17038148.00	-8842155.00	0	-11195993.00
Indebtedness at the end of the financial year:				
a) Principal Amount	47114175.00	41938871.00	0	89053146.00
b) Interest due but not paid	0	0	0	0
c) Interest accrued but not due	448349.00	0	0	448349.00
TOTAL	47562524.00	41938871.00	0	89501495.00

ANNEXURE "F"

REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND / OR MANAGER

Sr. No.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/MANAGER			TOTAL AMOUNT
		KailashAgrawal Managing Director	Anilkumar M. Lakhodya Jt. Managing Director	Jamsilasing Seini Executive Director	
1	Onise Salary	1440000	1440000	880000	3360000
a)	Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-
b)	Value of perquisites and 17(2) of the Income Tax Act, 1961	-	-	-	-
c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Share Equity	-	-	-	-
4	Commission (1 % of Profit) 4) Others - specialy	-	-	-	-
5	Others- Contribution of President and other funds	119952	119952	39984	279888
	TOTAL	1559952	1559952	519984	3639888



Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014]

To
The Members
HARDOLI PAPER MILLS LIMITED
First Floor, Krishna Kunj,
Bhevsar Chowk, C.A. Road,
Nagpur-440 002

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **HARDOLI PAPER MILLS LIMITED** (herein after called "the Company"), for the audit period covering the financial year ended on 31st March, 2018. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, generally 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 reporting made hereinafter:

- i) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I for the financial year ended on March 31, 2018, according to the provisions (to the extent applicable) of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds in foreign remittance basis from foreign investor;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

ii) I have relied on the representations made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulation to the Company

3. We further report that:

The Equity of the Company is listed with Metropolitan Stock Exchange of India Limited vide its letter MED / LIST / 2018 / 68 dated 4th January, 2018

- a) Further report that -
 - The Board of Directors as on date of this report consist of Three Executive Directors only. The Company is in the process of appointment of independent Directors and Company Secretary in terms of relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
 - Adequate notice is given to all the Directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
 - All resolutions / decisions at the Board and Committee Meeting are carried out Unanimously as recorded in the minutes of meeting of the Board of Directors or the Committee.
 - I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance of applicable laws, rules, regulations and guidelines except as mentioned above.
 - I further report that during the audit year, there were no instances of:
 - i) Public Issue of Equity Shares & Equity Warrants / Sweat Equity
 - ii) Buy-back of securities
 - iii) Merger / Amalgamation / Reconstruction etc
 - iv) Foreign Technical Collaborations

Place: Mumbai
Date: May 30, 2018

Sd/-
GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2018 and March 31, 2016
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF HARDOLI PAPER MILLS LIMITED

1. We have audited the accompanying standalone financial statements of **Hardoli Paper Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements').

2. The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

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

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

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Other Matter

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by Walter & Associates, on which they expressed an unmodified opinion dated 30.5.2017 & 21.06.2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.



INDEPENDENT AUDITORS' REPORT (Contd.)

2. Further to our comments in Annexure A, as required by sub-section 3 of Section 143 of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
 - (e) On the basis of the written representations received from the Directors as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2018 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B' and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone AS financial statements;
 - 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 required to be transferred to the Investor Education Protection Fund by the Company.

For **DARAK AND ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 132818W

Place: Naggur
Date: 30.05.2018

(CA. AMIT M. DARAK)
PARTNER
Membership No. 144005

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT – 31st MARCH 2018

(Referred to in our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain fixed assets were verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable property (which are included under the Note 2A – 'Property, Plant and equipment') are held in the name of the company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year; in our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- v. According to the information and explanations given to us, the company has not accepted the deposits from public within the meaning of sections 73 to 73C or any other relevant provisions of the Companies Act and the rules framed there under wherever applicable, have been complied with. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other tribunal in respect of the same.
- vi. We have merely reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 146 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as on 31st March 2018 there is no amount outstanding in respect of disputed income tax, sales tax, wealth tax, service tax, excise duty, cess, education cess and custom duty except for the following:



ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the Statute	Nature of the Dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994 & Central Credit Rules, 2004	> Excise Duty (under Rule 14 and 11D of the Act)	172,25,881	F.Y. 2008-09 to F.Y. 2010-11	Custom, Excise & Service Tax Appellate Tribunal, Mumbai
	> Penalty u/s. 11AC of the Act	1,00,80,910		
	> Excise Duty u/s 11A of the Act	6,67,226	For the period from July 2003 to March 2004	The Commissioner (Appeals), Customs, Central Excise & Service Tax, Nagpur
	> Penalty u/s. 11AC of the Act	6,67,226		
	> Excise Duty u/s 11A of the Act	6,27,223	For the period from April 2004 to October 2004	The Commissioner (Appeals), Customs, Central Excise & Service Tax, Nagpur
	> Penalty u/s. 11AC of the Act	6,27,223		

- viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or Government or any dues to debenture holders during the year.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards (refer note 33).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For DARAK AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 132818W

Place: Nagpur
Date: 30.05.2018

(CA, AMIT M. DARAK)
PARTNER
Membership No. 144005

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT- 31st MARCH 2018**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Hardoli Paper Mills Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

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

2. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

3. Meaning of Internal Financial Controls Over Financial Reporting

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

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

5. Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **DARAK AND ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 132818W

(**CA. AMIT M. DARAK**)
PARTNER
Membership No. 144005

Place: Nagpur
Date: 30.05.2018



BALANCE SHEET AS AT 31ST MARCH, 2018

	NOTE	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
ASSETS				
Non-current Assets				
Property, Plant and Equipment	2A	23,05,22,801	19,06,98,602	17,74,63,746
Capital work-in-progress	2B	3,82,310	-	24,97,535
Financial Assets				
(i) Other Assets	3	46,58,306	41,78,661	63,83,124
Other Non-current assets	4	35,79,731	50,25,081	74,51,655
Total Non-current assets		23,91,43,148	20,28,40,544	19,67,96,060
Current assets				
Inventories	5	4,27,97,876	4,97,89,442	3,56,21,656
Financial Assets				
(ii) Trade receivables	6	10,03,24,337	7,22,01,577	7,84,92,275
(iii) Cash and cash equivalents	7	40,785	84,021	94,167
(iii) Bank balances other than (ii) above	8	629	1,278	1,910
(iv) Other Financial assets	9	22,27,340	78,44,366	45,40,451
Other current assets	10	85,63,655	60,83,695	29,94,050
Current Tax assets (Net)	11	9,76,983	10,42,645	10,03,643
Total Assets		15,49,31,603	13,68,27,026	12,27,48,152
		39,40,74,751	33,96,67,570	31,65,44,212
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	12	2,69,22,650	2,69,22,650	2,69,22,650
Other Equity		13,63,05,509	5,73,48,157	6,13,58,667
Total Equity		16,32,28,159	8,42,70,807	8,82,81,317
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	13	6,93,55,820	7,68,87,091	8,11,22,469
Deferred tax liabilities (Net)	14	1,52,47,506	57,53,684	72,43,815
Total non-current liabilities		8,46,03,326	8,44,41,675	8,83,66,284
Current liabilities				
Financial Liabilities				
(i) Borrowings	15	5,69,46,207	5,84,41,292	6,35,20,349
(ii) Trade payables	16	6,47,09,000	7,60,03,245	5,97,79,203
(iii) Other financial liabilities	17	1,83,76,259	1,89,04,921	1,41,27,908
(iv) Other current liabilities	18	7,22,245	14,09,626	19,02,784
Provisions	19	54,89,547	33,35,805	25,66,767
Total Current liabilities		14,62,43,264	17,09,55,888	14,18,96,411
Total Equity and Liabilities		39,40,74,751	33,96,67,570	31,65,44,212
Significant accounting policies & Notes to Accounts	1 to 44			

The accompanying notes are an integral part of these standalone financial statements.

AS PER OUR REPORT OF EVEN DATE:

For DARAK AND ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 132818W

CA AMIT M. DARAK

PARTNER

Membership No. 144005

NAGPUR: 30.05.2018

FOR AND ON BEHALF OF THE BOARD:

KAILASH AGARWAL

(DIN:00367292)

ANIL KUMAR LAKHOTIYA

(DIN:00367361)

JARNAIL SINGH SAINI

(DIN:00367656)

NAGPUR: 30.05.2018

MANAGING DIRECTOR

JOINT MANAGING DIRECTOR

DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

	NOTE	31.3.2018 (Rupees)	31.3.2017 (Rupees)
Revenue From Operations	20	88,20,85,140	88,34,97,073
Other Income	21	1,76,31,582	31,48,972
Total Income		89,97,16,722	88,50,44,045
EXPENSES			
Cost of materials consumed	22	61,78,96,488	49,49,93,714
Changes in inventories of finished goods	23	-34,72,842	21,42,532
Excise duty		1,30,98,810	3,90,28,060
Employee benefits expense	24	2,01,91,643	1,58,56,291
Finance costs	25	1,80,12,556	1,83,80,858
Depreciation and amortization expense	2	1,68,59,157	1,64,63,048
Other expenses	26	17,32,70,718	14,15,51,888
Total expenses		85,58,16,707	68,99,26,393
Profit/(loss) before tax		4,38,99,995	(48,32,348)
Tax expense			
(1) Current tax		73,47,063	-
(1) MAT credit Entitlement		(64,04,071)	-
(2) Deferred tax		1,58,97,896	(14,01,834)
		1,68,40,887	(14,01,834)
Profit (Loss) for the year		2,70,59,108	(34,80,514)
Other Comprehensive Income	27		
A (i) Items that will not be reclassified to profit or loss		5,15,18,376	(2,87,079)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	88,298
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other Comprehensive Income		5,15,18,376	(1,78,783)
Total Comprehensive Income for the year including Revaluation Surplus		7,85,77,484	
Less: Revaluation Surplus		(5,09,05,008)	
Total Comprehensive Income for the year		2,76,72,476	(38,59,297)
Basic EPS	28	30.28	1.38
Significant accounting policies & Notes to Accounts	1 to 44		

AS PER OUR REPORT OF EVEN DATE

 For **DARAK AND ASSOCIATES**
CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO. 132818W

CA AMIT M. DARAK
PARTNER
 Membership No. 144005
 NAGPUR: 30.05.2018

FOR AND ON BEHALF OF THE BOARD

KAILASH AGARWAL	-	MANAGING DIRECTOR
(DIN:00367292)		
ANIL KUMAR LAKHOTIYA	-	JOINT MANAGING DIRECTOR
(DIN:00367361)		
JARNAIL SINGH SAINI	-	DIRECTOR
(DIN:00367556)		

 NAGPUR: 30.05.2018



STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2018

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
A. Equity Share Capital			
Opening Balance	2,69,22,650	2,69,22,650	2,69,22,650
Changes in the Equity Share Capital during the year	-	-	-
Closing Balance	2,69,22,650	2,69,22,650	2,69,22,650
B. Other Equity Capital Reserve			
Opening Balance	2,04,13,989	2,04,13,989	2,04,13,989
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	2,04,13,989	2,04,13,989	2,04,13,989
Movement during the year	-	-	-
Closing Balance	2,04,13,989	2,04,13,989	2,04,13,989
Securities Premium			
Opening Balance	85,64,946	85,64,946	85,64,946
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	85,64,946	85,64,946	85,64,946
Movement during the year	-	-	-
Closing Balance	85,64,946	85,64,946	85,64,946
General Reserves			
Opening Balance	18,00,000	18,00,000	18,00,000
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	18,00,000	18,00,000	18,00,000
Movement during the year	-	-	-
Closing Balance	18,00,000	18,00,000	18,00,000
Revaluation Surplus			
Opening Balance	-	-	-
Addition During Prior period	-	-	-
Additions During the year	5,09,05,008	-	-
Restated balance at the beginning of the reporting period	5,09,05,008	-	-
Movement during the year	-	-	-
Closing Balance	5,09,05,008	-	-
Retained Earnings			
Opening Balance	2,84,88,222	3,04,79,933	4,24,52,951
Changes in accounting policy or prior period errors	-3,79,868	3,51,411	28,456
Restated balance at the beginning of the reporting period	2,88,49,090	3,01,28,519	4,24,34,499
Profit for the year	2,70,59,108	(34,80,514)	(1,19,54,565)
Other Comprehensive Income for the year	6,13,368	11,78,783	-
Total Comprehensive Income for the year	2,78,72,476	(36,69,297)	(1,19,54,565)
Closing Balance	5,45,21,566	2,64,69,222	3,04,79,933
	13,63,05,509	5,73,48,157	6,13,58,887

AS PER OUR REPORT OF EVEN DATE
For DARAK AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 132816W

CA AMIT M. DARAK
PARTNER
Membership No. 144005
NAGPUR: 30.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Year ended	31.3.2018 (Rupees)	31.3.2017 (Rupees)
A - CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX	4,38,89,996	(48,82,348)
Adjustments for:		
Other comprehensive income - Actual Gain / (loss)	8,13,368	(2,87,079)
Prior Period Expenses	3,79,868	(3,51,413)
Depreciation, amortisation and impairment	1,68,59,157	1,54,83,048
Finance costs	1,80,12,656	1,93,80,856
Net (Gain) / Loss on disposal of property, plant and equipment	-	7,18,521
Operating profit before working capital changes	7,97,64,943	3,34,81,593
Change in operating assets and liabilities		
(Increase) / Decrease in inventories	69,91,566	(1,41,67,786)
(Increase) / Decrease in trade receivables	(2,81,22,760)	62,90,698
(Increase) / Decrease in other financial assets	54,17,030	(31,00,919)
(Increase) / Decrease in other current assets	(24,79,960)	(30,89,845)
(Increase) / Decrease in other Bank Balance	650	632
Increase / (Decrease) in Borrowing	(1,14,95,085)	49,20,943
Increase / (Decrease) in trade payables	(1,41,54,239)	1,00,84,042
Increase / (Decrease) in other financial liabilities	70,708	1,82,600
Increase / (Decrease) in other current liabilities	(6,87,580)	(4,92,959)
Increase / (Decrease) in provisions	8,27,793	7,69,038
(Increase) / Decrease in other financial assets (Non Current)	(4,79,445)	42,04,263
(Increase) / Decrease in other non-current assets	12,63,300	(17,27,716)
Changes in Working Capital	(4,28,48,022)	1,26,70,193
Cash generated from Operations	3,69,16,922	4,33,31,784
Income taxes paid (net of refunds)	(59,55,451)	(39,002)
NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES	3,09,61,470	4,32,92,782
B - CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(34,95,832)	(2,84,83,525)
Proceeds from sale of property, plant and equipment	-	4,97,500
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	(34,95,832)	(2,80,46,025)
C - CASH INFLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital (net of share issue expenses)	-	-
Repayment of borrowings	(93,80,171)	28,38,522
Interest paid	(1,81,08,704)	(2,01,15,425)
Dividends paid to company's shareholders	-	-
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	(2,74,88,875)	(1,72,76,903)
D - NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(23,236)	(39,149)
E - CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	64,021	84,187
F - CASH AND CASH EQUIVALENTS AT END OF THE YEAR	40,785	44,021

AS PER OUR REPORT OF EVEN DATE

 For **DARAK AND ASSOCIATES**
CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 132818W

CA AMIT M. DARAK
PARTNER

Membership No. 144005

NAGPUR: 30.05.2018

FOR AND ON BEHALF OF THE BOARD

KAILASH AGARWAL

(DIN: 00367282)

ANIL KUMAR LAKHOTIYA

(DIN: 00367361)

JARNAIL SINGH SAINI

(DIN: 00367656)

NAGPUR: 30.05.2018

MANAGING DIRECTOR
JOINT MANAGING DIRECTOR
DIRECTOR



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

NOTE 1: BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**I. Corporate Information**

Hardoll Paper Mills Limited (the Company), is incorporated on 24th February, 1995 as a Public Limited Company under the Companies Act, 1956. The company manufactures Kraft paper of various grades which are used as packing material. The Company sells the Kraft Paper directly to various parties and through network of dealers in the domestic market. The Company's equity shares are listed on Metropolitan Stock Exchange of India during the year.

II. Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (herein after referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 43.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 30.05.2018.

III. Basis of measurement:

These financial statements are prepared under the historical cost convention unless otherwise indicated.

IV. Use of Estimates and judgments

- (i) The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item of information in the financial statements is made relying on these estimates.
- (ii) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates.

V. SIGNIFICANT ACCOUNTING POLICIES**A) Inventories (Ind AS 002)**

- a. **Raw Materials**
These inventories are valued at lower of cost or realizable value. Cost is determined on First-in-First-Out basis.
 - b. **Stores, Spares, Packing Materials & Consumables**
These inventories are valued at lower of cost or realizable value. Cost is determined on First-in-First-Out basis.
 - c. **Work in Process**
These inventories are valued at lower of cost or realizable value. The cost of work in process comprises of raw & packing materials, direct labour, other direct costs and related production overheads. Cost of materials is determined on First-in-First-Out basis.
-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018
(Contd.)**d. Manufactured Finished Goods**

These inventories are valued at lower of cost or net realizable value. The cost of finished goods comprises of materials, direct labour, other direct costs and related production overheads. Cost of materials is determined on First-In-First-Out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

B) Taxation (Ind AS 012)

i) Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

ii) Current tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Income tax

i) Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

ii) The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

v) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

vi) Current and deferred tax for the year. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

C) Property, Plant and Equipment: (Ind AS 016)

i) Freehold land is subsequently stated at fair value. Factory Building is subsequently stated at fair value. Fair values of land and building is estimated by management with the useful life of 30 years in case of building. Management estimate is based on the valuation report dated 5th October 2017, issued by an independent professional valuer.

Revaluation of Building:

The revaluation is done on 1st January 2018. Provision for depreciation created on Factory building as on 31st December 2017 since inception is reversed and transferred to revaluation surplus. The revaluation amount over WDV of Building as on 31st December 2017 is transferred to revaluation surplus.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

The estimated life of asset from the date of revaluation as estimated by management is 30 years. The depreciation on asset will be charged over the useful life of 30 years after deducting the residual value as 5% of Revalued amount.

Revaluation surplus of Rs. 1,60,96,712 is created from revaluation of Building. The Building is (revalued) at Rs. 4,91,08,850; Depreciation charged on revaluation surplus is debited to Profit & Loss Account.

Revaluation of Land:

The revaluation is done on 1st January 2018. Carrying value of Land is appreciated by Rs. 3,28,08,298 which is transferred to revaluation surplus. The freehold land is revalued at Rs. 3,39,65,000. No Depreciation is charged on Land.

Other Property, plant and equipment:

Other Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

- 2) Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.
- 3) Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:
 - i) Plant and equipment is depreciated over 9 to 21 years based on the technical evaluation of useful life done by the management.
 - ii) assets costing ₹ 5,000 or less are fully depreciated in the year of purchase. Freehold land is not depreciated.
- 4) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.
- 5) Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

Transition to IND AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(E) Leases (Ind AS 017)
Lease rental for assets taken on operating lease are charged to the statement of Profit and Loss in accordance with Ind AS 17 (refer Note 32).

(F) Revenue Recognition: (Ind AS 018)
Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, rate difference, volume rebates, deductions and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Excise duty is considered in fair value of consideration received which is deducted as expenditure in Profit and Loss account.

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

Interest income is recognized using the effective interest rate (EIR) method.

(G) Employee benefits (Ind AS 019)
The Company has following post-employment plans:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018
(Contd.)

- 1) **Defined benefit plans - gratuity**
- a) The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.
- b) The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements.
- Net interest expense or income**
- c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.
- d) Re-measurement comprising of actuarial gains and losses arising from Re-measurement of Actuarial (gains) losses, Return on plan assets, excluding amount recognized in effect of asset ceiling Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.
- e) Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuary, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.
- 2) **Defined contribution plans - provident fund**
It is accounted on accrual basis with the contributors to the Employee Provident Fund administered by the Central Government.
- 3) **Short-term and other long-term employee benefits**
Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- H) **Foreign currency transactions and foreign operations (Ind AS 021)**
- 1) The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).
- 2) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
- 3) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- 4) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- 5) Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
 - exchange differences on transactions entered into in order to hedge certain foreign currency risks
 - exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended 31st March 2018 prepared under previous GAAP are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. All exchange differences on foreign currency monetary items originating after March, 2016 including those relating to fixed assets are charged off to statement of profit and loss.

4) **Financial Instruments:**

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

1) **Non-derivative financial instruments:**

a) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

b) **Financial assets at amortised cost**

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

c) **Financial assets at fair value**

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND-AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

d) **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

J) **Earnings per share (Ind AS 033)**

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018
(Contd.)**

profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

8) Provisions, contingencies and commitments (Ind AS 037)

- 1) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- 2) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- 3) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- 4) A disclosure for contingent liabilities is made where there is-
 - a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
 - b) a present obligation that arises from past events but is not recognized because:
 - i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.
- 5) Contingent Assets are neither recognised nor disclosed in the financial statements.
- 6) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

VI. FIRST TIME ADOPTION OF IND AS: (Ind AS 101)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS.

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements, in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Optional Exemptions from retrospective application

The Company has elected to apply the following optional exemptions from retrospective application:

Deemed cost for property, plant and equipment and intangible assets: The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

ii) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018
(Contd.)

- (ii) **Classification and measurement of financial assets:**
The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

Note 2: FIXED ASSETS

NOTE 2 : PROPERTY PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, INVESTMENT PROPERTY, INTANGIBLE ASSET,

(Rupees)

	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As on 31.3.2017	Additions	Deletions/Adjustment	As on 31.3.2018	As on 31.3.2017	For the Year	Revaluation	Deletions/Adjustment	As on 31.3.2018	As on 31.3.2017
Tangible Assets										
Freehold Land	11,56,704	-	3,25,09,296	1,39,65,000	-	-	-	-	3,39,65,000	11,56,704
Building	4,23,42,118	7,51,665	80,15,078	4,81,08,650	1,09,85,416	13,07,698	1,39,732	1,20,61,642	3,70,190	4,87,28,058
Plant & Machinery	19,89,62,348	14,74,941	-	20,04,67,289	5,43,26,044	1,23,79,671	-	6,67,05,615	13,37,61,674	14,48,88,304
Electrical installation	2,54,07,368	4,51,580	-	2,58,58,948	1,00,34,500	35,00,847	-	1,29,31,347	1,25,27,659	1,50,52,698
Computers	8,42,938	1,34,771	-	9,77,583	7,63,744	22,874	-	7,86,618	1,90,969	79,054
Office Equipments	7,63,112	17,198	-	8,10,300	8,29,875	47,297	-	7,08,173	1,04,127	1,34,238
Furniture & Fixtures	15,22,208	0,000	-	15,22,208	11,79,120	1,25,520	-	13,04,600	2,27,608	1,43,188
Lease	18,18,088	-	-	18,18,088	8,02,548	1,89,028	-	10,02,174	8,15,912	8,15,541
TOTAL	27,26,74,848	29,40,349	3,18,23,396	31,43,38,560	7,80,38,244	1,67,19,424	1,39,732	1,20,61,642	8,38,16,759	19,38,36,661
PREVIOUS YEAR	34,02,42,218	3,31,91,830	(7,89,306)	37,26,74,844	8,27,35,473	1,84,83,048	-	2,04,273	7,99,38,242	19,38,36,662
B) Capital Work in Progress										
CAPITAL WIP	3,82,310	-	-	3,82,310	-	-	-	-	-	3,82,310
TOTAL	3,82,310	-	-	3,82,310	-	-	-	-	-	3,82,310
C) Investment Property										
TOTAL	-	-	-	-	-	-	-	-	-	-
D) Intangible Assets										
TOTAL	-	-	-	-	-	-	-	-	-	-

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
NOTE 3: OTHER ASSETS (FINANCIAL ASSETS)			
(Unsecured, considered good unless otherwise stated)			
Long term Deposit with Banks maturing after 12 months (Fixed deposits are lien marked for total facility against the said fixed deposit)			
	26,97,249	36,78,981	29,46,450
Loans and Advances to Employees	4,27,777	2,33,600	2,88,000
Other Deposits	15,33,280	2,66,300	51,48,674
	<u>46,58,306</u>	<u>41,78,881</u>	<u>83,83,124</u>
NOTE 4: OTHER NON CURRENT ASSETS			
(Unsecured, considered good unless otherwise stated)			
Advance for Capital Goods	*	1,82,050	43,36,340
Balance with Government Authorities	35,79,731	48,43,031	31,15,315
	<u>35,79,731</u>	<u>50,25,081</u>	<u>74,51,655</u>
NOTE 5: INVENTORIES			
Raw Materials (Including Goods in Transit Rs.41,94,053) (Rs.2,24,064)	2,51,73,512	3,61,01,004	2,10,07,979
Stores, Packing Material & Fuel	85,42,397	80,79,113	68,61,820
Finished Goods	90,81,967	56,08,325	77,51,857
	<u>4,27,97,876</u>	<u>4,97,89,442</u>	<u>3,56,21,656</u>
NOTE 6: TRADE RECEIVABLES			
(Unsecured, considered good unless otherwise stated)			
Considered Good:			
Related Party	49,74,122	28,26,673	60,33,772
Other party	9,53,50,215	6,93,74,904	7,24,58,503
	<u>10,03,24,337</u>	<u>7,22,01,577</u>	<u>7,84,92,275</u>
Considered Doubtful	*	*	*
	<u>10,03,24,337</u>	<u>7,22,01,577</u>	<u>7,84,92,275</u>
NOTE 7: CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents			
Cash on Hand	27,658	50,245	79,760
Balances with Banks Current Account	13,127	13,776	14,407
	<u>40,785</u>	<u>64,021</u>	<u>94,167</u>



Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
NOTE 8: BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS			
Other Bank Balance (Balance earmarked for Unclaimed Dividend)	629	1,278	1,910
	<u>629</u>	<u>1,278</u>	<u>1,910</u>

NOTE 9: OTHER FINANCIAL ASSETS

Unsecured & Considered Good			
Advance Held in Trust by Directors	-	9,60,000	-
Balance with Government authorities	22,27,340	66,84,368	45,40,451
	<u>22,27,340</u>	<u>76,44,368</u>	<u>45,40,451</u>

NOTE 10: OTHER CURRENT ASSETS

Advance to Suppliers	43,96,427	45,22,109	22,12,635
Prepaid Expenses	8,34,210	7,65,052	4,08,038
Insurance Claim Receivable	6,76,729	4,49,139	20,105
Interest accrued but not due	1,71,692	3,47,395	3,53,272
Interest Receivable from MSEDCI	24,84,597	-	-
	<u>85,63,655</u>	<u>60,83,695</u>	<u>29,94,050</u>

NOTE 11: CURRENT TAX ASSET (NET)

Income Tax Receivables (Net)	9,76,983	10,42,645	10,03,643
	<u>9,76,983</u>	<u>10,42,645</u>	<u>10,03,643</u>

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
NOTE 12: SHARE CAPITAL			
AUTHORISED CAPITAL			
35,00,000 (35,00,000) Equity Shares of Rs. 10/- each	3,50,00,000	3,50,00,000	3,50,00,000
	<u>3,50,00,000</u>	<u>3,50,00,000</u>	<u>3,50,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
26,92,265 (26,92,265) Equity Shares of Rs. 10/- each fully paid up	2,69,22,650	2,69,22,650	2,69,22,650
	<u>2,69,22,650</u>	<u>2,69,22,650</u>	<u>2,69,22,650</u>

a. Details of shareholders holding more than 5% shares in the company

NAME OF SHAREHOLDER	31.03.2018	31.03.2017	31.03.2016	No. of Shares	No. of Shares
	% Held	% Held	% Held		
Akshay Omprakash Rathi	8.48	8.48	8.48	2,28,405	2,28,405
Kalish P. Agarwal	8.60	8.60	8.60	2,31,495	2,31,495
Mangla Omprakash Rathi	5.61	5.61	5.60	1,50,945	1,50,945
Omprakash Damodar Rathi	9.93	9.93	9.93	2,67,360	2,67,360
Anil Kumar Lakhota	8.92	8.92	8.92	1,86,295	1,86,295

b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	26,92,265	26,92,265
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	26,92,265	26,92,265

c. The Company has not allotted any shares for consideration other than cash during 5 years preceding March 31, 2018
d. Rights, preferences and restrictions attached to shares
Equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
NOTE 13: BORROWINGS			
Secured			
From Banks			
Term Loan from Bank (Refer Note: 17)	3,04,22,175	4,70,91,175	5,38,12,963
(Term Loan is secured by way of Hypothecation of all movable created out of bank finance as well on Land, factory building Plant and Machinery, Electrical fittings and Misc. assets with the personal guarantees of the directors and two promoters which carries rate of interest @11% p.a. First term loan of Rs 5.50 crores is repayable in 60 monthly installment amounting to Rs 9.16 lacs from F.Y.2015-2016; second term loan of Rs 1.50 cr is repayable in 72 monthly installments amounting to Rs 2 lacs for 71 months and Rs. 8 lacs for last one month and third term loan of Rs 2 cr is repayable in 72 monthly installments amounting to Rs 2.90 lacs for 11 months, Rs. 2.75 lacs for 60 month and last instalment of Rs. 3 lacs, from FY 2016-2017 onwards)			
Unsecured Loans			
From Others			
Related Parties - Repayable on demand after 1st april, 2018	3,89,33,645	3,15,96,816	2,73,09,506
	<u>6,93,55,820</u>	<u>7,86,87,991</u>	<u>8,11,22,469</u>

NOTE 14: DEFERRED TAX LIABILITIES

Deferred Tax:			
Deferred Tax (Assets)	9,70,397	1,63,44,993	1,23,31,471
Deferred Tax (Liabilities)	2,51,55,340	2,46,32,040	2,21,08,648
Deferred Tax Asset /Liabilities(Net)	2,41,84,943	82,87,047	97,77,179
Mat Credit Entitlement	(89,37,434)	(25,33,363)	(25,33,363)
Total	<u>1,52,47,508</u>	<u>57,53,684</u>	<u>72,43,815</u>

NOTE 15: SHORT TERM BORROWINGS

Secured			
From Banks			
Working Capital Facilities	5,39,40,881	5,89,41,292	5,85,20,349
(Secured by way of hypothecation of entire stock of the unit at its godowns or at some other places including goods in transit, outstanding moneys, book debts, receivable, both present and future including personal guarantee of all the Directors & the Promoters of the Company)			
Unsecured			
From Others			
- Related Party	30,05,326	15,00,000	-
- Intercorporate Loan	-	80,00,000	50,00,000
	<u>5,69,46,207</u>	<u>6,69,41,292</u>	<u>6,35,20,349</u>

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)	01.04.2016 (Rupees)
NOTE 16: TRADE PAYABLES			
Payable for Goods & Services			
Amounts due to Related Party	11,43,631	27,19,222	40,78,643
Others:	6,35,65,375	7,61,44,023	5,57,00,560
(Under the Micro, Small and Medium Enterprises Development Act 2006, certain disclosures are required to be made relating to Micro & Small Enterprises. The Company is in process of compiling relevant information from it's supplier about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material. This has been relied upon by the Auditors.)			
	<u>6,47,09,006</u>	<u>7,88,63,245</u>	<u>5,97,79,203</u>
NOTE 17: OTHER FINANCIAL LIABILITIES - CURRENT			
Current Portion of Long Term Borrowings (Refer Note. 13)			
- Term Loan from Bank	1,66,92,000	1,67,40,000	1,14,67,000
- Interest Accrued but not due on Term Loans	6,73,349	7,69,497	15,04,066
Payable for Capital Goods	1,79,944	6,35,166	5,78,584
Employee Payables	6,30,966	7,60,258	6,77,658
	<u>1,83,76,259</u>	<u>1,89,04,921</u>	<u>1,41,27,308</u>
NOTE 18: OTHER CURRENT LIABILITIES			
Statutory Dues:	7,22,245	14,09,825	19,02,784
	<u>7,22,245</u>	<u>14,09,825</u>	<u>19,02,784</u>
NOTE 19: PROVISIONS			
Income Tax Payable	13,25,949	-	-
Provision for Employee benefits:	41,63,598	33,35,805	25,66,767
	<u>54,89,547</u>	<u>33,35,805</u>	<u>25,66,767</u>



Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
NOTE 20: REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing (Net)	88,19,58,305	68,16,97,073
Sale of Raw Material	1,26,835	-
	<u>88,20,85,140</u>	<u>68,16,97,073</u>

NOTE 21: OTHER INCOME

Gain/(Loss) on Foreign Exchange Fluctuation	7,67,987	11,23,375
Power Charges Claim of Previous Years	1,38,81,280	-
PSI Subsidy	2,05,500	17,27,866
Miscellaneous Income	5,265	-
Interest Income	27,71,530	4,85,731
	<u>1,76,31,562</u>	<u>33,46,972</u>

NOTE 22: COST OF MATERIAL CONSUMED

Opening Stock	3,61,01,004	2,10,07,979
Add: Purchases	60,69,28,976	46,99,86,739
	<u>64,30,29,980</u>	<u>49,10,04,718</u>
Less: Closing Stock	2,51,73,512	3,61,01,004
	<u>61,78,56,468</u>	<u>45,49,03,714</u>

NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS

Opening Stock	56,09,325	77,51,857
Less: Closing Stock	90,81,967	56,09,325
	<u>(34,72,642)</u>	<u>21,42,532</u>

NOTE 24: EMPLOYEE BENEFIT EXPENSES

Salary & Wages	1,64,26,158	1,40,85,750
Contribution to Funds	36,14,454	18,93,319
Staff Welfare Expenses	1,51,031	1,77,222
	<u>2,01,91,643</u>	<u>1,59,56,291</u>

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
NOTE 25: FINANCE COSTS		
Interest Expenses	1,73,79,758	1,92,66,688
Other Borrowing Cost	6,32,798	1,14,170
	<u>1,80,12,556</u>	<u>1,93,80,856</u>
NOTE 26: OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power and Fuel Consumed	11,81,29,423	9,38,70,644
Stores & Spares Consumed	78,92,927	44,80,039
Packing Material Consumed	76,66,596	60,08,335
Raw Material Sorting Charges	34,87,842	28,74,408
Repairs & Maintenance -Machinery	97,37,910	62,10,303
Repairs & Maintenance -Building	3,15,769	1,37,843
Finished Goods Packing and Allied Charges	23,31,762	21,40,185
Waste paper Feeding Charges	55,50,406	44,69,531
Security Service Charges	6,58,874	6,53,554
Factory Expenses	41,84,600	36,49,080
	(A)	(A)
	<u>15,79,56,110</u>	<u>12,44,94,923</u>
ESTABLISHMENT EXPENSES		
Auditors Remuneration	-	-
Statutory Audit Fees	2,50,000	3,50,000
Other Professional fees	-	2,74,750
Audit Expenses	1,93,485	1,18,972
Repairs & Maintenance		
- Vehicle	4,38,418	5,32,161
- Others	3,67,339	3,78,862
Bank Commission & Charges	6,08,383	5,26,938
Insurance Charges	11,39,683	11,48,214
Rent for Office Premises	3,10,200	2,93,350
Rates & Taxes	12,07,645	15,97,610
Legal & Professional Charges	14,12,588	7,33,592
Travelling & Conveyance	8,87,101	4,27,639
Telephone Charges	1,81,744	2,55,583
Donation	27,160	8,100
Printing & Stationery	2,04,934	2,38,560
Office Expenses	3,79,209	4,29,382
Loss on Sale of Assets	-	1,18,531
Bad Debts (Net)	7,16,640	4,88,863
Listing Expense	8,50,750	20,610
General Expenses	9,37,656	4,07,350
	(B)	(B)
	<u>36,80,935</u>	<u>33,47,056</u>
SELLING & DISTRIBUTION EXPENSES		
Advertisement	51,860	38,400
Commission on Sales	47,68,950	83,05,502
Insurance on Sales	6,12,861	3,68,008
	(C)	(C)
	<u>54,33,671</u>	<u>87,09,910</u>
	(A+B+C)	(A+B+C)
	<u>17,32,70,716</u>	<u>34,15,51,889</u>



Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
NOTE 27: OTHER COMPREHENSIVE INCOME		
Particulars		
A (i) Items that will not be reclassified in the profit & loss		
Remeasurement of defined benefit liabilities	6,13,368	-2,67,079
Revaluation Surplus on Revaluation of Fixed Asset (Land & Building)	5,09,05,008	
(ii) Income tax relating to items that will not be reclassified to profit or loss 88,296		
	<u>5,15,18,376</u>	<u>-1,78,783</u>
B (i) Items that will be reclassified to the profit & loss		
(ii) Income tax relating to items that will be reclassified to profit or loss		
	-	-
	-	-
Total (A+B)	<u><u>5,15,18,376</u></u>	<u><u>-1,78,783</u></u>

NOTE 28: EARNING PER SHARE

Net Profit after tax from continuing operation	2,76,72,476	-36,59,297
Weighted average number of Equity shares outstanding (Face Value of Re. 10 per Eq. Share)	26,92,265	26,92,265
Earning per share	10.28	-1.36
Diluted Earning per Share	10.28	-1.36

NOTE 29 : AUDITORS REMUNERATION

Audit fee	2,50,000	3,00,000
Certification and others	-	50,000
Other Professional Fees	-	2,74,750
	<u>2,50,000</u>	<u>6,24,750</u>

NOTE 30: Disclosure required by INDAS 19-Employee Benefits

(a) Defined Benefit Plans:

Gratuity Fund	39,98,549	29,59,349
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The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with IND AS 19.

Notes (Contd.)
Reconciliation of present value of the obligation and the fair value of plan assets:

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
Reconciliation of Opening and Closing balance of the Present Value of the defined benefit obligation		
Obligation at period beginning	48,06,630	40,76,104
Current service cost	4,32,944	3,24,368
Past Service Cost	10,46,154	-
Interest Cost	3,63,862	3,28,534
Actuarial (gain) / loss	(5,86,626)	2,48,243
Benefits paid	(95,238)	(1,70,619)
Actuarial (gain) / loss due to Experience	-	-
Obligations at the year end	59,67,726	48,06,630
Change in Plan Assets		
Plan assets at period beginning, at fair value	29,59,349	26,94,372
Expected return on plan assets	2,24,023	2,17,166
Actuarial gain / (loss)	26,742	(18,636)
Contributions	8,83,673	2,37,266
Benefits paid	(95,238)	(1,70,619)
Plan assets at the year end, at fair value	39,98,549	29,59,349
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair Value of plan assets at the end of the year	(39,98,549)	(29,59,349)
Present value of the defined benefit obligations at the end of the year	65,81,094	48,06,630
Liabilities/(Assets) recognised in the Balance Sheet	25,82,545	18,47,281
Cost for the year		
Current service cost	4,32,944	3,24,368
Past Service Cost	16,59,522	-
Interest Cost	3,63,862	3,28,534
Expected return on plan assets	(2,24,023)	(2,17,166)
Actuarial (gain) / loss	(6,13,368)	2,67,079
Net Cost recognised in the Statement of Profit and Loss	16,18,937	7,02,816
Assumptions used to determine the benefit obligation:		
Discount Rate	7.83%	7.57%
Estimated rate of return on plan assets	7.83%	7.57%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	21.66%	21.14%
Actual return on plan assets	2,50,765	1,96,530

(b) Provident Fund

"Contribution to provident and other funds" is recognised as an expense in the Statement of Profit and Loss.

NOTE 31:

Pursuant to the 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 entity adopts the revaluation model under IND AS 16 for Land and Building pertaining to same class of assets. Land and Building is revalued at fair market value and estimated future life of Building is 30 Years from the date of revaluation. Land is appreciated by Rs. 3,26,06,296 and building is appreciated by Rs. 1,80,96,712 over written down value of Rs. 3,10,12,138 as on 31/12/2017. Revaluation reserve is created out of the appreciated amount after revaluation. Building is to be depreciated over 30 years being useful life as per the estimation of Management. Management estimation is based on the valuation report from independent valuer dated 05/10/2017.



Notes (Contd.)

NOTE 32:

The company has obtained its office premises for its business operations under operating lease or leave and license agreements. These are generally cancellable under leave and licence, or renewed longer for other leases and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 28.

NOTE 33: RELATED PARTIES DISCLOSURE**Directors/ Key Management Personnel:**

Mr. Kailash Chand Agarwal
Mr. Anil kumar Lakhotiya
Mr. Jarnailsingh Saini

Enterprises in which there is a significant influence of Members/Directors

Kaygaon Paper Mills Limited
Saini Transport Company
Chandra Sales Corporation
Chandra Coal Private Limited

Others**(a) Director's & Key Management Personnel Relative**

Mr. Sartaj Manindersingh Saini	Mrs. Anita Lakhotiya
Mrs. Sushil Kaur Saini	Mrs. Kajal Sanjay Agarwal
Mr. Karnailsingh Saini	Mr. Kailash Kaur
Mr. Baljit Singh Saini	Mrs. Snehiata A Lakhotiya
Mr. Kuldeepsingh Saini	Mrs. Hazalkaur Manindersingh Saini
Mrs. Baljit Kaur	Mrs. Sanjankaur Saini
Ms. Navita K. Agrawal	Mr. Prakashkaur Saini
Mrs. Amarjit kaur Saini	Gurmisingh Gurdassingh (HUF)
Mrs. Sainankaur Karnail Singh Saini	Mrs. Snehiata A Lakhotiya
Mr. Gaurav A Lakhotiya	Karnail Singh Gurdassingh (HUF)
	Mrs. Garima Maheswari

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
Disclosure of material transaction with related parties		
RELATED PARTY TRANSACTIONS DURING THE YEAR		
Profit & loss A/c		
Sales		
Kaygaon Paper Mills Limited	1,26,835	Nil
Freight Charges		
Saini Transport Company	72,23,297	63,25,076
Interest Paid		
Mr. Anil kumar Lakhotiya	1,45,055	59,506
Mr. Omprakash Demodar Rathji	4,65,653	2,73,330
Mr. Jarnailsingh Saini	5,82,788	3,09,126
Mr. Kailashchandra P. Agarwal	1,22,461	49,761
Mr. Karnailsing Saini	68,458	40,183
Mr. Baljit Singh Saini	2,65,143	1,31,487
Mr. Kuldeepsingh Saini	34,229	20,092
Mr. Sartaj Manindersingh Saini	1,28,984	73,965
Mrs. Baljit Kaur	1,23,441	72,456
Mrs. Garima Maheswari	17,635	3,534

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
Interest Paid		
Mrs. Anita Lakhotiya	81,642	47,173
Mrs. Kalash Kaur	3,16,879	1,86,061
Mrs. Hazalkaur Manindersingh Saini	1,09,641	36,182
Mrs. Sanjankumar Saini	75,704	44,340
Mrs. Kajal Sanjay Agrawal	6,06,792	3,56,176
Mrs. Snehlata A Lakhotiya	1,91,279	1,15,836
M/s. Chandra Coal Pvt Limited	-	16,883
Director's Remuneration and Incentives		
Mr. Kailash Chand Agarwal	(Includes Bonus) 15,38,352	11,05,000
Mr. Anil kumar Lakhotiya	(Includes Bonus) 15,38,352	11,05,000
Mr. Jarnalsingh Saini	(Includes Bonus) 5,19,984	-
Provident Fund		
Mr. Kailash Chand Agarwal	21,600	21,600
Mr. Anil kumar Lakhotiya	21,600	21,600
Mr. Jarnalsingh Saini	21,600	21,600
Purchase of Coal		
Chandra Coal Private Ltd	24,28,729	46,81,868
Chandra Sales Corporation	25,83,001	-
Purchase of Raw material (Net)		
Chandra Sales Corporation	64,29,787	72,97,160
Kaygaon Paper Mills Ltd.	80,92,140	-
Sale of Finished Goods (Net)		
Chandra Sales Corporation	8,61,74,052	8,79,34,813
Balance Sheet		
Loan Accepted		
Mr. Anil M. Lakhotiya	28,30,550	8,71,158
Mr. Omprakash Damodar Rathi	4,19,088	2,45,997
Mrs. Anita Lakhotiya	73,478	92,458
Mrs. Hazalkaur Manindersingh Saini	98,677	4,32,564
Mr. Kamalsingh Saini	61,612	36,185
Mr. Bajitsingh Saini	2,38,629	1,18,338
Mr. Kuldeepsingh Saini	30,806	18,062
Mr. Santar Manindersingh Saini	4,16,085	68,587
Mr. Gaurav Lakhotiya	15,05,326	15,06,858
Mrs. Garima Maheshwar	15,871	2,03,181
Sanjankumar Saini	1,68,133	39,908
Kajal Sanjay Agrawal	5,46,113	3,20,558
Mrs. Kalash Kaur	2,85,281	1,67,455
Bajitsingh Saini	2,38,629	1,18,338
Mrs. Snehlata A Lakhotiya	19,72,151	6,04,253
Jarnalsingh Saini	20,24,510	10,28,214
Kailashchandra P Agarwal	1,10,215	7,94,785
Chandra Coal Private Limited	-	40,16,611
Loan Repaid		
Mr. Anil M. Lakhotiya	4,50,000	17,600
Chandra Coal Private Limited	-	40,16,611
Mr. Gaurav Lakhotiya	15,00,000	6,858
Mrs. Garima Maheshwar	2,19,052	-
Mrs. Snehlata A Lakhotiya	-	6,00,000



Notes (Contd.)

CLOSING BALANCES	Max.O/S.		31.3.2018	31.3.2017
	31.03.2018	31.03.2017	(Rupees)	(Rupees)
Loans Taken				
Mr. Anil M. Lakhota	35,28,867	11,48,317	35,28,867	11,48,317
Mr. Omprakash D. Rath	42,99,532	38,80,444	42,99,532	38,80,444
Mr. Rajiv D. Behal	-	42,85,572	-	41,00,542
Mr. Kamalsingh Saini	6,32,092	5,70,480	6,32,092	5,70,480
Bejit Singh Saini	24,48,155	22,09,528	24,48,155	22,09,528
Mr. Kuldeepsingh Saini	3,16,048	2,85,242	3,16,048	2,85,242
Mr. Sartaj Marindersingh Saini	14,66,442	10,50,357	14,66,442	10,50,357
Mr. Bejit Kaur	11,39,770	10,28,673	11,39,770	10,28,673
Mrs. Anita Lakhota	7,53,829	6,80,351	7,53,829	6,80,351
Mrs. Kalish Kaur	29,26,771	26,41,490	29,26,771	26,41,490
Kajal Sanjay Agrawal	56,02,715	50,56,602	56,02,715	50,56,602
Mr. Jamalsingh Saini	66,72,894	46,48,384	66,72,894	46,48,384
Mr. Kailashchandra P Agarwal	11,30,722	10,20,507	11,30,722	10,20,507
Mrs. Hazelkaur Marindersingh Saini	10,12,350	9,13,673	10,12,350	9,13,673
Sanjeemkumar Saini	7,97,620	6,29,487	7,97,620	6,29,487
Mrs. Snehlata A Lakhota	35,01,711	20,25,307	35,01,711	16,29,560
Mr. Gaurav Lakhota	15,05,326	15,00,000	15,05,326	15,00,000
Mrs. Garima Maheshwan	2,03,181	2,03,181	-	2,03,181
Chandra Coal Private Limited -	10,00,000	-	-	-
Trade Payables				
Chandra Coal Private Ltd			4,19,897	16,10,061
Chandra Sales Corporation			7,23,744	11,09,161
Trade Receivables				
Chandra Sales Corporation			49,74,122	28,26,673

NOTE 34: CONTINGENT LIABILITIES

Contingent liabilities not provided for in respect of:

Bank Guarantee given to M.S.E.D.C.L.	50,00,000	50,00,000
Bank Guarantee given to Western Coal Fields Ltd.	3,50,000	16,00,000
Bank Guarantee given to M.P.C.B.	5,00,000	5,00,000
Bank Guarantee given to N.S.I.C.	-	34,00,000
Bank Guarantee given to CGST & Central Excise	3,90,000	-

TDS Demand, Interest and Penalty

F.Y.2015-2016	-	1,03,161
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Sales tax demands

F.Y.2003-2004	1,389	1,389
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Excise Duty From F.Y.2008-09 to 2010-2011

- Demand Raised excluding interest	1,72,25,881	1,72,25,881
- Penalty Levied	1,00,80,910	1,00,80,910

The Company had received demand of Rs 2,73,06,791 in earlier years on account of Excise Duty & Penalty excluding interest for the period from F.Y.2008-09 to 2010-2011. The Company had obtained stay order against the same and filed an appeal with Custom, Excise & Service Tax Appellate Tribunal, Mumbai. Based on legal advice, the Company had not made any provision against the same.

Notes (Contd.)

	31.3.2018 (Rupees)	31.3.2017 (Rupees)
Excise Duty From July 2003 to March 2004: - Demand Raised excluding interest	6,67,226	6,67,226
- Penalty Levied	6,67,226	6,67,226
Excise Duty From April 2004 to October 2004: - Demand Raised excluding interest	6,27,223	6,27,223
- Penalty Levied	6,27,223	6,27,223

In past, the Company had received order from the office of the Commissioner of Central Excise, Custom & Service Tax, Nagpur-II demanding Excise duty of Rs.25,88,696 including penalty. The Company has filed an appeal with the Commissioner (Appeals) under section 35 of the Act against the said order. The Company has paid the basic Demand under protest amounting to Rs.12,94,419 to save interest and penalty on suo moto basis. Based on legal advice, the Company had not made any provision against the said demand.

NOTE 35:

The balances of Trade Payables, Trade Receivables and Loans & Advances are subject to confirmation and reconciliation.

NOTE 36:

The Company is into manufacturing of Kraft Paper which is considered as the only reportable segment. The Company's operations are based in India.

NOTE 37:

Borrowing cost and pre operative expenses capitalised during the year as follows:

Particulars	31.3.2018 Rupees	31.3.2017 Rupees
Salary and Wages	56,590	2,95,437
Interest Expenses	-	7,03,867
Goods Sorting Charges	-	3,88,917
TOTAL	56,590	13,88,221

NOTE 38:

In the opinion of the Board and as certified by the management, all expenses charged to revenue and various cash payments to the suppliers of materials and services through out the accounting year are genuine and have been solely and exclusively incurred out of business expediency.

NOTE 39:

During the year, the electricity board has extended Power incentive as a part of the Incentive from GoM, Rs. 1,03,15,402 (Rs. 91,25,009). The said incentive has been adjusted in the monthly bills during FY 2017-18. During FY 2017-18, company has received a lumpsum amount of 1.38 crores as refund of excess charges collected pertaining to previous years. The company has also received an amount of Rs. 24.84 lacs in April 2018 as an interest on Rs. 1.38 Crores. Rs. 24.84 lacs is taken as income in FY 2017-18. Rs. 1.38 is adjusted among the monthly bill of from Jan 18 to March 18 and shown as other income in the Profit & Loss Account.

NOTE 40:

Unhedged Foreign Exchange Exposure

	Outstanding in Forex USD	Outstanding in INR 31/03/18	Outstanding in Forex USD	Outstanding in INR 31/03/17
Advance to Suppliers for Capital goods and stores	Nil	Nil	Nil	Nil
Trade Payables for Raw Materials & Stores	63,739	41,45,846	Nil	Nil
	Nil	Nil	Nil	Nil

Note: USD to INR conversion rate is Rs. 64.0441 per USD from RBI website dated 28/03/2018



Notes (Contd.)

NOTE 41:

Previous year's figures have been regrouped and rearranged to correspond with the figures of current year wherever necessary.

NOTE 42:

FIRST-TIME ADOPTION OF IND AS

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant Financial Statements for the periods commencing April 1, 2017 with restated comparative figures for the year ended March 31, 2017 in compliance with Ind AS. The company had prepared these financial statements in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at opening balance of April 1, 2016, the date of company's transition to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented below a reconciliation of net profit as presented in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to total comprehensive income for the year ended March 31, 2017 and reconciliation of shareholders funds as per the previous GAAP to equity under Ind AS as at March 31, 2017 and April 1, 2016.

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

EXEMPTIONS AVAILED

Ind AS 101 allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

1. Appendix C to Ind AS 17, Leases requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all relevant arrangements for leases based on conditions in place as at the date of TRANSITION.

2. Deemed Cost

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and intangible assets as deemed cost as at the transition date.

Reconciliations between Previous GAAP and Ind AS is given in notes below

NOTE 43 :

I. Reconciliation of Equity as at 1st April, 2016

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-current assets			
Property, Plant and Equipment	17,74,63,746	-	17,74,63,746
Capital work-in-progress	24,97,535	-	24,97,535
(i) Other Assets	-	83,83,124	83,83,124
Other Non-current assets	1,64,25,335	(89,73,680)	74,51,655
Total Non-current assets	19,63,86,616	(5,90,556)	19,57,96,060
Current assets			
Inventories	3,56,21,656	-	3,56,21,656
Financial Assets			
(i) Trade receivables	7,84,92,275	-	7,84,92,275
(ii) Cash and cash equivalents	30,42,527	(29,48,360)	94,167
(iii) Bank balances other than (ii) above	-	1,910	1,910
(iv) Other Financial assets	-	45,40,451	45,40,451
Other current assets	75,29,644	(45,35,795)	29,94,050
Current Tax assets (Net)	-	10,03,643	10,03,643
Total Current Assets	12,48,86,303	(19,38,151)	12,27,48,152
Total Assets	32,10,72,919	(25,28,707)	31,85,44,212

Notes (Contd.)

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2,69,22,650	-	2,69,22,650
Other Equity	6,13,67,322	(28,455)	6,13,58,867
Total Equity	8,83,09,972	(28,455)	8,82,81,517
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	8,11,22,469	-	8,11,22,469
Deferred tax liabilities (Net)	97,77,178	(25,33,363)	72,43,815
Total non-current liabilities	9,08,99,647	(25,33,363)	8,83,66,284
Current liabilities			
Financial Liabilities			
(i) Borrowings	6,35,20,349	-	6,35,20,349
(ii) Trade payables	5,97,46,092	33,111	5,97,79,203
(iii) Other financial liabilities	-	1,41,27,308	1,41,27,308
Other Current liabilities	1,60,30,092	(1,41,27,308)	19,02,784
Provisions	25,66,767	-	25,66,767
Total Current liabilities	14,18,63,301	33,111	14,18,96,411
Total Equity and Liabilities	32,10,72,919	(25,28,707)	31,85,44,212

NOTE 44:

I. Reconciliation of Equity as at 31st March, 2017

Particulars	Previous GAAP	Ind AS adjustments	Ind AS - As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	19,36,36,602	-	19,36,36,602
Financial Assets			
(i) Other Assets	-	41,78,861	41,78,861
Deferred tax assets (Net)	-	-	-
Other Non-current assets	91,00,988	(40,75,908)	50,25,081
Total Non-current assets	20,27,37,590	1,02,954	20,28,40,544
Current assets			
Inventories	4,97,89,442	-	4,97,89,442
Financial Assets			
(i) Trade receivables	7,22,01,577	-	7,22,01,577
(ii) Cash and cash equivalents	37,44,260	(36,80,239)	64,021
(iii) Bank balances other than (ii) above	-	1,278	1,278
(iv) Other Financial assets	-	76,44,368	76,44,368
Other current assets	1,37,16,161	(76,32,466)	60,83,695
Current Tax assets (Net)	0	10,42,645	10,42,645
Total Current Assets	13,94,51,440	(26,24,414)	13,68,27,026
Total Assets	34,21,89,030	(25,21,461)	33,96,67,570



Notes (Contd.)

Particulars	Previous GAAP	Ind AS adjustments	Ind AS - As at 31st March, 2017
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2,69,22,650	-	2,69,22,650
Other Equity	5,77,28,024	-3,79,868	5,73,48,157
Total Equity	8,46,50,674	-3,79,868	8,42,70,807
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	7,86,87,991	-	7,86,87,991
Deferred tax liabilities (Net)	82,87,047	(25,33,363)	57,53,684
Total non-current liabilities	8,69,75,038	-25,33,363	8,44,41,675
Current liabilities			
Financial Liabilities			
(i) Borrowings	6,84,41,292	-	6,84,41,292
(ii) Trade payables	7,84,75,775	3,87,470	7,88,63,245
(iii) Other financial liabilities	-	1,89,04,921	1,89,04,921
Other Current liabilities	2,03,10,446	-1,69,00,621	14,09,825
Provisions	33,35,605	-	33,35,605
Total Current liabilities	17,05,63,318	3,91,770	17,09,55,088
Total Equity and Liabilities	34,21,89,030	-25,21,461	33,96,67,570

II. Reconciliation of statement of profit and loss for the year ended 31st March, 2017

Particulars	Previous GAAP 2016-17	Ind AS adjustments	Ind AS 2016-17
Revenue From Operations	67,02,25,180	1,14,71,893	68,16,97,073
Other Income	11,23,375	22,23,587	33,46,972
Total Income	67,13,48,555	1,36,95,480	68,50,44,045
EXPENSES			
Cost of materials consumed	45,49,03,714	-	45,49,03,714
Changes in inventories of finished goods	21,42,532	-	21,42,532
Excise Duty	-	3,95,28,065	3,95,28,065
Employee benefits expense	1,62,23,370	(2,67,079)	1,59,56,291
Finance costs	1,88,85,125	4,95,731	1,93,80,856
Depreciation and amortization expense	1,64,63,046	-	1,64,63,046
Other expenses	18,78,80,195	(2,63,28,306)	14,15,51,889
Total expenses	67,64,97,962	1,34,28,411	68,99,26,393
Profit/(loss) before exceptional items and tax	(51,49,427)	2,67,079	(48,82,348)
Exceptional items	-	-	-
Profit/(loss) before tax	(51,49,427)	2,67,079	(48,82,348)
Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax	(14,90,130)	88,296	(14,01,834)
Profit (Loss) for the year	(36,59,297)	1,78,783	(34,80,514)

Notes (Contd.)

Particulars	Previous GAAP 2016-17	Ind AS adjustments	Ind AS 2016-17
Other Comprehensive Income -			
A (i) Items that will not be reclassified to profit or loss -			
Actuarial gain on defined benefit liability recognised in Other Comprehensive Income	-	2,67,079	(2,67,079)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(88,296)	88,296
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Total other Comprehensive Income	-	1,78,783	(1,78,783)
Total Comprehensive Income for the year	(36,59,297)	-	(36,59,297)

Notes to Reconciliation of Profit & Loss from Previous GAAP to Ind AS
1 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses.

2 Revenue, Advertisement and Sales Promotion (ASP) and other expense

The Company has recognised revenue at the fair value of consideration received or receivable. Any sales incentive, Rate difference discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue. Under IGAAP, some of these costs were included in 'selling and distribution' expenses.

3 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements (i.e. actuarial gains and losses and return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability) are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

4 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans; effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

AS PER OUR REPORT OF EVEN DATE
For DARAK AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 132918W

CA AMIT M. DARAK
PARTNER
Membership No. 144005
NAGPUR, 30.05.2018

FOR AND ON BEHALF OF THE BOARD

KAILASH AGARWAL - MANAGING DIRECTOR
(DIN:00367292)
ANIL KUMAR LAKHOTIYA - JOINT MANAGING DIRECTOR
(DIN:00367361)
JARNAIL SINGH SAINI - DIRECTOR
(DIN:00367656)

NAGPUR, 30.05.2018

HARDOL PAPER MILLS LIMITED

(CIN: U21010MH1995PLC085883)

Registered Office: Krishna Kurl, First Floor, Bhavsar Chowk, Central Avenue, Nagpur-440002

PROXY FORM

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

24th ANNUAL GENERAL MEETING - AUGUST 31, 2018

Name of the Member(s)	
Registered address	
*Folio No. / DP ID No. / Client ID No.	E-mail id

I/We, being the holder(s) of the above named Company, hereby appoint:

- Name: _____ E-mail id: _____
Address: _____
Signature: _____ of falling him / her
- Name: _____ E-mail id: _____
Address: _____
Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company, to be held on Friday, August 31, 2018 at 3.30 p.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	For	Against
	Ordinary Business		
1	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2	Re-appointment of Mr. Jankalingh S. Saini who retires by rotation.		
3	Appointment of Statutory Auditors and fixing their remuneration.		
	Special Business		
4	Appointment of Mr. Namamhan Vanshangan as an Independent Director.		
5	Appointment of Mr. Prem Kewatzenani as an Independent Director.		
6	Appointment of Mrs. Priyanka P. Deshmukh as an Independent Director.		
7	Appointment of Mr. Omprakash D. Rathi as Director of the Company.		
8	Re-appointment of Mr. Kalash Chand Agarwal as Managing Director.		
9	Re-appointment of Mr. Anilkumar Lakhotiya as Whole Time Director.		
10	Re-appointment of Mr. Jankalingh S. Saini as Whole Time Director.		
11	Appointment of Mr. Omprakash D. Rathi as Whole Time Director.		

Signed this _____ day of _____ 2018

AFFIX
Revenue
Stamp of
Rs. 1

Signature of Shareholder: _____ Signature of Proxy holder(s): _____

* Applicable for members holding shares in electronic form.

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