



**MALU PAPER
MILLS LTD.**

**ANNUAL REPORT
FOR THE YEAR
2017-18**

Heera Plaza, 4th Floor,
Near Telephone Exchange,
Central Avenue,
Nagpur – 440 008

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MALU PAPER MILLS LIMITED

Founder

Late Shri Bhanwarlal Malu
(1924 - 2007)

Non Executive Chairman

Shri Damodarlal Malu

Managing Director

Shri Punamchand Malu

Joint Managing Director

Shri Banwarilal Malu

Non Executive Directors

Shri Vasudeo Malu

Independent Directors

Shri Chandrakant Thakar
Shri Satyanarayan Rathi
Shri Shyamsunder Sarda
FCA Shrutika Inani

Plants**Kraft Division**

Village Borujwada,
Nagpur Saoner Road,
Taluka: Saoner, District: Nagpur

Bankers

State Bank of India
Axis Bank Ltd
Bank of Baroda
Bank of India
Jammu & Kashmir Bank

Statutory Auditors

M/s. R. A. Kuvadia & Co.

Internal Auditors

M/s. Samria & Co.

CFO

Shri Girish Malpani

Company Secretary & Compliance Officer

Ms. Shraddha Kabra*

Registered and Corporate Office

Heera Plaza, 4th Floor, Near Telephone
Exchange, Central Avenue, Nagpur
440008

Newsprint & Writing Printing Division

Village Hetti Surla,
Nagpur Bhopal Road,
Taluka: Saoner, District: Nagpur

*W.e.f. 31/07/2018

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MALU PAPER MILLS LIMITED

Regd. Office: Heera Plaza, 4th floor, Near Telephone Exchange, Nagpur -400008
CIN:L15142MH1994PLC076009

NOTICE

Notice is hereby given to the members of Malu Paper Mills Limited that the 25th Annual General Meeting of the members will be held on Friday, the 21st day of September, 2018 at **the registered office of the Company at 'Heera Plaza, 4th Floor, Near Telephone Exchange Square, Central Avenue, Nagpur** at 3.00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Results for the year ended on 31st March 2018 along with the reports of Director and Auditors thereon.
2. To appoint a Director in place of Shri Damodarlal Malu (DIN: 00301120), who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri Vasudeo Malu (DIN: 00301313), who retire by rotation and being eligible, offer himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. R. A Kuvadia & Co., Chartered Accountants, Mumbai, be and are hereby re appointed as the Statutory Auditors of the Company to hold Office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting, at a remuneration as may be decided by the Board in consultation with them.”

SPECIAL BUSINESS:

5. To appoint the Cost Auditors for the financial year ending March 31, 2019 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2018-19 ending on March 31, 2019, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To Increase the remuneration of Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other law and on the recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for the increase in the remuneration of Shri Punamchand Ramlal Malu, Managing Director to Rs.2,00,000/- per month with effect from 01st August 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To Increase the remuneration of Joint Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other law and on the recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for the increase in the remuneration of Shri Banwarilal Bhanwarlal Malu, Joint Managing Director to Rs.2,00,000/- per month with effect from 01st August 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. To Increase the remuneration of Vice President, Purchase and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 15(3) of the Companies (meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the members, be and is hereby accorded to increase the monthly remuneration to Rs.2,00,000/- per month of Shri Narayan Malu, son of Shri Banwarilal Malu, Joint Managing Director of the Company, appointed as Vice President (Purchase) to hold and continue to hold an office or place of profit with effect from 01st August, 2018.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to grant annual increments from time to time upto 20% of the last salary drawn and to promote Mr. Narayan Malu to higher responsibilities as and when required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:

Heera Plaza, 4th floor,
Central Avenue
Nagpur- 440008
Date:09th August, 2018

**By order of the Board
For MALU PAPER MILLS LIMITED**

Punamchand Malu
Managing Director
DIN:00301030

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. 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, WHO SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the business set out under the notice is annexed hereto.
3. The Register of Members and share transfer books of the Company will remain closed from 14th September 2018 to 21st September 2018 both days inclusive.
4. Documents referred to the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
5. Members/Proxies should bring attendance slips duly signed for attending the meeting.
6. Members holding shares in dematerialised form are requested to notify all the changes with respect of their address, e-mail id, ECS mandate and bank details to their depository participant.

Members (those holding shares in the physical form only) are requested to notify / send the following to the Registrar/ Transfer Agent,

- a. Particulars of their bank account and e-mail id, in case the same have not been sent earlier;
 - b. Any changes in their address/e-mail id/ECS mandate/ bank details;
 - c. Share certificate(s) held in multiple accounts in identical name or joint names in the same order of names, for consolidation of such shareholding in one account.
7. For the convenience of the members, an attendance slip is annexed with the proxy form. Photocopies of the slip will not be entertained for issuing gate pass for attending annual general meeting. However, in case of non- receipt of notice of annual general meeting, members are requested to write to the company at its head office for issuing duplicate of the same. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the meeting.
 8. Members/Proxy holders are requested to bring their copies of the annual report with them to the annual general meeting, as extra copies will not be provided.
 9. Any member desirous of getting any information on accounts or operations of the company is required to forward his/her queries to the company at least ten days prior to the meeting so that the required information can be made available at the meeting.
 10. The copy of notice shall also be made available at our official website www.malupaper.com. In case any shareholder could not receive the same, he can download it or go through our website.
 11. For any communication, the shareholders may also send requests to the Company's investor email id contacts@malupaper.com
 12. Pursuant to the provision of section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the

company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

13. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

14. The instructions for shareholders voting electronically are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 18th September, 2018 (9:00 am) and ends on 20th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details will be as per details given below :

- a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail scrutinizers@malupaper.com to with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. 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 AGM through ballot paper.
- VIII. Ms. Yuga Kothalkar Company Secretary (Membership No. 028673) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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 shall make, not later than three /days of the conclusion of the AGM, a consolidated scrutinizer’s

report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.malupaper.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of Shri Deepak Khanuja Partner of M/s. Khanuja Patra & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2018-19 ending on March 31, 2019 at the Audit Fees of Rs.45,000 (Rupees Forty five Thousand only).

None of the Directors and the Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the Notice.

ITEM NO. 6

Shri Punamchand Malu is associated with the company since its inception and was reappointed as Managing Director w.e.f 01/04/2015 at a monthly remuneration of Rs.1,00,000/-. Taking into consideration his hard work and contribution for the growth of the Company, the Board, on the recommendation of Nomination and Remuneration proposed to increase his monthly remuneration to Rs.2,00,000/- with effect from 01/08/2018 for the remaining period of his tenure.

The increase in remuneration of Shri Punamchand Malu will be in accordance with sections 196, 197 and other applicable provisions, if any, read with provisions of Schedule V of the Companies Act, 2013 without requiring the approval of Central Government.

The Directors recommend the Special Resolutions for your approval

Except for Shri Punamchand Malu and Shri Damodar Lal Malu, no Director of the Company is concerned or interested in the said resolution.

ITEM NO. 7

Shri Banwarilal Malu is Promoter Director of the company and was reappointed as Joint Managing Director w.e.f 01/04/2015. Taking into consideration his hard work and contribution for the growth of the Company, the Board, on the recommendation of Nomination and Remuneration proposed to increase his monthly remuneration to Rs.2,00,000/- with effect from 01/08/2018 for the remaining period of his tenure.

The increase in remuneration of Shri Banwarilal Malu will be in accordance with sections 196, 197 and other applicable provisions, if any, read with provisions of Schedule V of the Companies Act, 2013 without requiring the approval of Central Government.

The Directors recommend the Special Resolutions for your approval

Except for Shri Banwarilal Malu and Shri Vasudeo Malu, no Director of the Company is concerned or interested in the said resolution.

ITEM NO. 8

Shri Narayan Malu, Vice President (Purchase) is working with since 2006 looking after existing operation of the company

Shri. Narayan Malu's current salary is not commensurate with the role and responsibility carried out by him. Hence on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 09/08/2018 approved to increase the monthly remuneration from Rs.1,00,000/- to Rs.2,00,000/- per month with effect from 01st August 2018.

Your Directors recommend this Special resolution for your approval.

No Director, except Shri Banwarilal Malu is in any way concerned or interested in the resolution.

Registered Office:

Heera Plaza, 4th floor,
Central Avenue
Nagpur- 440008
Date: 09th August, 2018

**By order of the Board
For MALU PAPER MILLS LIMITED**

Punamchand Malu
Managing Director
DIN:00301030

MALU PAPER MILLS LIMITED

REPORT OF BOARD OF DIRECTORS.

The Directors have pleasure in presenting the 25th Annual Report for the year ended 31st March 2018 along with the Audited Statement of Accounts with the Report of the Auditors thereon:

FINANCIAL RESULTS

(Rs. In Lakhs)

	FY 2017-2018	FY 2016-2017*
Sales & Other Incomes	283,22.31	251,81.42
Profit Before Interest & Depreciation	19,05.72	23,48.54
Less: Financial Charges	12,00.49	14,50.17
Profit Before Depreciation	7,05.22	8,98.37
Less: Depreciation	4,80.35	4,79.91
Less: Provision For Tax	78.90	1,29.47
Profit/(Loss) After Tax	1,45.97	2,88.99

* Previous year figures have been regrouped in accordance with Indian Accounting Standard (Ind-AS).

REVIEW OF OPERATIONS

Your company has posted another year of profitable results considering the challenges faced by it in the last financial year. For the year under review the Company recorded total income of Rs.283,22.31 Lakhs and booked profit before tax of Rs. 224.88 Lakhs. During the year the slow pace of demand continued and towards the end of the financial year the demand had started to improve as forecasted earlier.

MANAGEMENT REVIEW: 2017-18

GLOBAL PAPER INDUSTRY SCENARIO

The Industry has experienced a radical shift in the business environment in the second half of the year; These changes has mostly resulted from major policy changes in China, which is the worlds biggest paper recycler country, having annual capacity of about 60 million tons of recycle based pulp and paper, imports about 25-million-ton waste paper per annum, considering its size it plays a decisive role in global market of waste paper. Recently, Chinese government has decided to ban import of inferior grade of waste paper, this decision has changed the waste paper prices globally. Further, due to environmental issue the China government has ordered closure of a considerable paper production capacity. The resultant effect of these decisions has led to sharp decline in global supply of recycle grade newsprint, paper and paperboard leading to sharp increase in the prices of these grades. China, has become a paper importer from a major exporter of paper, paperboard and newsprint, due to changes in its internal policies. Demand growth in paper and paperboard is being led by the paperboard segment, and the segment reflects impetus for better growth in coming years.

INDIAN PAPER INDUSTRY

The domestic Paperboards, Paper and Packaging industry remained impacted by sluggish demand conditions prevailing in the Indian industry. The transition to GST caused short-term disruptions especially during the first half of the year. The duty imports under ASEAN Free Trade Agreement and unabsorbed capacity in the industry weighed on the performance of the Business. However, Indian paper industry looks quite promising as the domestic demand is on the rise after the stabilisation of the economy post GST implementation. The increasing literacy rate, rise in the per capita income, growth in GDP,

improvement in manufacturing sector and changing lifestyle of individuals in the urban as well as rural India are expected to provide impetus to the growth of paper industry in India. A majority of India still lives in 'villages'. This statement no doubt holds true but the figures suggest that there has been a paradigm shift of the Indian populace in terms of rural-urban divide. The aspirations of higher income, higher standard of living etc. has drawn more and more people from villages to settle in towns and cities. This transition from rural to urban areas has led to an increase in the demand for goods (owing to higher income and ever-expanding needs) and has also shifted the consumption pattern. Replicating the global market, the demand growth in India is largely led by consumer packaging paperboard segment, which is also impacted positively due to rising e-commerce.

The ban on import of waste paper and closure of substantial capacity in China as a result of the change in the policies, has provided double benefits to Indian recycle paper manufacturing industry, the reduction in demand from China has led to lower prices of waste paper and increase in demand of finished paper from China has seen the finished prices firming up resulting in higher realization for newsprint, paper and paperboard. The total installed capacity in India is about 12.7 million tonnes. The per capita consumption of paper is around 13 kg against the global average of 57 kg. Every 1 kg increase in per capita consumption results into increase in annual demand over 1 million tons. At present, the industry is largely fragmented with over 750 paper mills but very few large paper mills of capacity above 50,000 TPA.

NEWSPRINT SECTOR

India remains a bright spot in the Newsprint market, with its growing young population and increasing literacy levels. This is in spite of global downward trend in newspaper circulation, owing to penetration of digital media. The daily circulation of the newspaper in India is rising continuously with daily circulation up from 150 million in 2002 rising to 264 million in 2017; the rise is expected to continue in the coming years. The Indian print media continues to command a major share of the advertisement revenues. This being the election year and growth in industry picking up resulting in higher advertisements, this year is expected to be a year of high growth of newspapers in India. In India, over 50% of the newsprint demand is met through import. The domestic prices of newsprint are largely determined by the landing cost of the Imported Newsprint. Due to changes in the global newsprint market the prices of Newsprint has seen an increase of about 20-22%. Overall performance of Indian newsprint sector is expected to be very promising in the years to come. The GST council has imposed IGST on imported newsprint, this has also provided much needed level playing field to the Indian newsprint manufacturers against imported ones.

Writing & Printing paper demand remained firm due to steady offtake from the education segment, while prices witnessed an uptrend largely on account of supply disruptions due to operational discontinuities at certain mills. Recent ban by various state government on the plastic and thermocol packaging to provide impetus to the Kraft packaging paper. The extension of the E-Commerce trade to the tier 2 and tier 3 cities will provide a boost to the packaging sector and with ban on plastic packaging in many states this sector provides a great opportunity for the Kraft paper mills producing the packaging paper.

Over the next five years, the domestic industry is projected to grow at 6-7% CAGR to reach 20 million tonnes by 2022. The Paperboard segment comprising 48% of the market is estimated to grow at around 7.5% CAGR and Writing & Printing paper segment which comprises 30% of the market at 6.0% CAGR respectively. In the Writing & Printing paper segment, cut-size paper is projected to register the fastest growth at 9.5% CAGR, driven by the education and office stationery segments. The demand for newsprint has grown at a CAGR of 4% from 2.4 million tonnes in 2012-13 to 2.5 million tonnes in 2016-17; it is expected that the growth will continue at CAGR of 3.5% - 4% to reach 3 million tons in 2021-22.

FUTURE OUTLOOK

India's share in global paper demand is gradually growing as domestic demand is increasing at a steady pace while demand in the western nations is contracting. The domestic demand in India grew from 9.3 million tonnes in FY08 to 15.3 million tonnes in FY16 at a CAGR of 6.4%. In spite of the sustained growth witnessed by the industry, the per capita paper consumption in India stands at a little over 13 kg which is well below the global average of 57 kg and significantly below 200 kg in North America.

For the Indian paper industry, strong economic growth has been accompanied by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country. It is expected that the overall paper demand growing at a CAGR of 6-7% is likely to touch 18.5 million tonnes in 2018-19.

Printing and Writing segment demand is expected to grow at a CAGR of 6% and reach 5.3 million tonnes in FY19. The demand is expected to grow on account of an anticipated pick-up from the education sector with improving literacy rates and growing enrolment as well as increasing number of schools and colleges.

The Packaging paper & board segment caters to industries such as FMCG, food & beverage, pharmaceutical, textiles, etc. Demand for Packaging Paper & Board segment is expected to grow at a CAGR of 7-8% and reach 9.7 million tonnes in FY19 due to factors such as increased urbanization, requirement of better quality packaging of FMCG products marketed through organized retail, E-commerce and increasing preference for ready-to-eat foods.

The Improving literacy rates, rising circulation and an increasing number of newspapers and magazines is expected to support growth in newsprint demand which is expected to reach 2.7 million tonnes in FY19.

Malu Paper Mills Ltd has paper mills strategically located in Central India at Nagpur (Maharashtra). The company is the largest newsprint manufacturer of Central India with 49,500 TPA capacity and produces quality newsprint with recycle process. The company has swing facility wherein it can change to Newsprint and Writing paper production at short notice. The company is also in the manufacture of the packaging paper of recycle grade with an annual capacity 50,000 TPA. The positive turn of events in the Indian paper industry in the current year due to changes in the international market is expected to bring in good prospects for the company in coming years.

STRENGTH AND OPPORTUNITIES

- Central location – equidistant to all the major metro markets in the country.
- Growth trend in the domestic paper market and opportunities in the export market for its products.
- Government emphasis on avoid plastic packaging and to promote Bio degradable packaging to provide impetus to the packaging industry.
- Robust growth in e-commerce FMCG, Consumer goods to drive paper board demand.
- Post Implementation of the GST, owing to its central location, Nagpur is gradually developing into a transportation and logistics hub, this will enable the company to optimise on the transportation cost of raw material and finished goods.
- Close proximity to Western Coal Fields (WCL) for procurement of coal and availability of biomass from the nearby rice producing regions.
- Three Inland Container Depots (ICD) near by enabling smooth and competitive infrastructure for import and export of goods.
- Established customer base and dealers network.

- Governments thrust for education and literacy coupled with increasing disposable income and overall economic growth of the nation.
- Levy of IGST on imported newsprint as compared to duty free import in pre-GST regime

WEAKNESS AND THREATS

- Cyclical nature of the paper industry.
- Numerous Regional Trade scheme (RTs)/Free Trade Agreement (FTAs) without adequate safeguard to the domestic industries.
- Increasing competition from electronic media and digitalization (for newsprint).
- Capital-intensive industry.

INTERNAL CONTROL SYSTEM

Your Company has adequate internal control procedures commensurate with the size and nature of business. There is a periodical review mechanism for ensuring the sustenance and up gradation of these systems.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute CSR Committee as per the provisions of Section 135 (1) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. However, your company has always discharged its social responsibility as a part of its corporate governance philosophy. The company has lend helping hand by taking up health check up camps, drinking water supply, tree plantations in the plant premises and in the vicinity of its plant.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year under review.

DETAILS OF DIRECTOR / KEY MANAGERIAL PERSONNEL APPOINTED/ RETIRED DURING THE YEAR

Shri Damodarlal Malu (DIN 00301120) and Shri Vasudeo Malu (DIN 00301313), Directors retire by rotation at the ensuing annual general meeting and being eligible offers themselves for re-appointment.

DECLARATION BY DIRECTORS

The Company has received declaration from all the Independent Directors under section 149(7) of the Companies Act, 2013 in respect of meeting the criteria of independence provided under section 149(6) of the said Act.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Director's confirm that:

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2 The Directors had selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of Company as on 31st March 2018 and of the profit of the company for that period.

- 3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4 The annual accounts have been prepared on a going concern basis.
- 5 The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating effectively.

LISTING OF SHARES

Equity Shares of Company are listed on The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE). The Company has duly paid listing fees to stock exchanges.

DIRECTORS' REMUNERATION

Remuneration Policy

- 1) Remuneration to Managing/Whole- time / Executive /Managing Director, KMP and senior Management Personnel:
 - a) The Remuneration / Commission etc. to be Paid to Managing Director/ Joint Managing Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.
- 2) Remuneration to Non- Executive / Independent Director:
 - a) The Non- Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under section 197(5) of the companies Act, 2013) shall be subject to ceiling / limits as proved under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or Shareholders, as the case may be.
 - c) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purpose of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with Company's policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

PARTICULARS OF EMPLOYEES

None of the employee, including Key Managerial Personnel, was drawing in excess of the limits prescribed by Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, which needs to be disclosed in the director's report.

RISK MANAGEMENT

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism etc. and other risks which are considered necessary by the management. The management has taken adequate steps to protect its assets and safeguard the interest of the company.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors met Six (06) times during the year and the details thereof were mentioned in the Report of Corporate Governance forming part of this Annual Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN OR SECURITY PROVIDED

The loans given, investments made or guarantee given or security provided by the Company are same as mentioned in notes to the Financial Statements.

RELATED PARTY DISCLOSURES

The details of related party disclosures and transactions are given in Notes 27 of financial statements. All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis and are approved by in the Board Meeting held on 22/05/2017.

AUDIT COMMITTEE

As per the provisions of the Listing Regulations and pursuant to Section 177 of the Companies Act, 2013, the Audit committee constituted to review compliances with internal control systems and other various functions of the Company. FCA Shrutika Inani, Independent Director was the Chairman of the Audit Committee.

AUDITORS REPORT

The notes to the accounts to the comments made by the Auditors in their Report are self - explanatory. The Auditors' report does not contain any qualification, reservation or adverse remark.

The Auditors of the Company have not reported any fraud as specified under the section 143(12) of the Companies Act, 2013.

AUDITORS

M/s. R. A Kuvadia & Co., Chartered Accountants, Mumbai, the Auditors of the company, will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. In terms of provisions of section 139 of the Companies Act, 2013 M/s. R. A Kuvadia & Co., Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act. As required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

CORPORATE GOVERNANCE

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 a report on Corporate Governance is made a part of the Annual Report.

COST AUDITOR'S

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors had appointed M/s. Khanuja Patra & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of Cost records for the financial year ended on 31st March 2018. The audit is in process and report will be filed within prescribed period.

BOARD EVALUATION

Criteria for performance evaluation of its Directors as required by the Listing Agreement and SEBI (Listing Obligations of Disclosure Requirements) Regulations, 2015 are attending Board/committee meetings; going through the agenda papers and providing inputs in the meeting of Board/committees; guidance to the company from time to time on the various issues; discharge of duties as per the Companies Act, 2013 and compliance to the other requirements of the said Act.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Companies Act 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The same has been uploaded on company's website at www.malupaper.com

FAMILIARIZATION POLICY

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The Policy is available on the website of the company.

SECRETARIAL AUDIT

The Secretarial Audit issued by Practicing Company Secretary is being attached with the Directors report as Annexure A which is self explanatory.

ABSTRACT OF THE ANNUAL RETURN

The Abstract of the Annual Return for the year 31st March 2018 being attached with the Directors Report as Annexure B.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 is given as per 'Annexure C' and forms part of the Directors' Report.

As regards disclosure of particulars relating to conservation of energy, great emphasis has been given for reduction of energy consumption to reduce cost per unit of goods. Details are attached herewith as per 'Annexure C'.

The Company imports some portion of its raw material requirement. The foreign exchange earnings and outgo are as mentioned in the reports of the auditor of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to Bankers, Customers, Business Associates for the co-operation and support and to the Shareholders, dealers and suppliers, staff and workers for their contribution to the company's growth.

Place: Nagpur
Date: 09/08/2018

By Order of Board of Directors

Punamchand Malu
Managing Director
(DIN:00301030)

Banwarilal Malu
Jt. Managing Director
(DIN:00301297)

Annexure A to Directors Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

**THE MEMBERS,
MALU PAPER MILLS LIMITED,
HEERA PLAZA, 04TH FLOOR,
NEAR TELEPHONE EXCHANGE,
CENTRAL AVENUE,
NAGPUR, MH – 440008.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALU PAPER MILLS LIMITED**. (hereinafter called the Company). 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 **MALU PAPER MILLS LIMITED'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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MALU PAPER MILLS LIMITED**. ("the Company") for the financial year ended on 31st March, 2018, according to the provisions 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; to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('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; **(Not applicable to the Company during the Audit Period);**

Annexure A to Directors Report

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**

(vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Act, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:-

- (a) The Factories Act, 1948 and Rules made thereunder;
- (b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
- (c) Acts and Rules prescribed under prevention and control of pollution;
- (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
- (e) Acts and Rules relating to boilers, electricity, fire, etc.;
- (f) Contract Act, 1872;
- (g) Transfer of Property Act, 1882;
- (h) Bombay Stamp Act, 1958;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange(s),
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Observation 1 – During the period under review, Company has not duly complied with the provision with respect to the Appointment of Key Managerial Personnel. However the Appointment of Company Secretary has been duly made with effect from 31st July, 2018.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Annexure A to Directors Report

As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded,

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the Company's affairs.

Date : 09th August, 2018

Place : Nagpur

CS YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY,
Membership No. – 28673
CP No. – 10337

Annexure A to Directors Report

'ANNEXURE - A'

To,

**MALU PAPER MILLS LIMITED,
HEERA PLAZA, 04TH FLOOR,
NEAR TELEPHONE EXCHANGE,
CENTRAL AVENUE,
NAGPUR, MH – 440008.**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 09th August, 2018

Place: Nagpur

CS YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY,
MEMBERSHIP No. – 28673
CP No. – 10337

Annexure B to Directors Report
FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2017

I REGISTRATION & OTHER DETAILS:

i	CIN	L15142MH1994PLC076009
ii	Registration Date	11-01-1994
iii	Name of the Company	Malu Paper Mills Limited
iv	Category of the Company	Public Company
v	Address of the Registered office details Telephone (with STD Code) : Fax Number : Email Address : Website, if any:	Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur 440008 (MS) 0712-2760308 0712-2760310 info@malupaper.com www.malupaper.com
vi	Whether listed company	YES
vii	Name and Address of Registrar &	Link Intime India Private Limited
	Transfer Agents (RTA):- Telephone (with STD Code) : Fax Number :	C- 101, 247 Park, LBS Marg, Vikroli (W) Mumbai 400 083 (MS) 022-49186000 022-49186060

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

	Name & Description of main products	NIC Code of the products	% to the total turnover
i	Kraft Paper	2800	48.24
ii	Newsprint Writing Printing	2802; 2803	51.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name of the Company	CIN/ GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NIL				

Annexure B to Directors Report
FORM NO. MGT 9

IV) Shareholding Pattern (Equity Share Capital Break Up As a Percentage of Total Equity)										
i) Category Wise Share Holdings										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8196542	0	8196542	48.0475	8247973	0	8247973	48.349	0.3015
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0
(d)	Any Other (Specify)									0
	Bodies Corporate	3486152	0	3486152	20.4356	3575274	0	3575274	20.958	0.5224
	Sub Total (A)(1)	11682694	0	11682694	68.4831	11823247	0	11823247	69.307	0.8239
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	11682694	0	11682694	68.4831	11823247	0	11823247	69.307	0.8239
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000

**Annexure B to Directors Report
FORM NO. MGT 9**

IV) Shareholding Pattern (Equity Share Capital Break Up As a Percentage of Total Equity)										
i) Category Wise Share Holdings										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2530893	3562	2534455	14.8567	2937440	3562	2941002	17.24	2.3833
(iii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1445324	0	1445324	8.4724	939613	0	939613	5.508	-2.9644
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0
(e)	Any Other (Specify)							0		0
	Hindu Undivided Family	346152	0	346152	2.0291	363628	0	363628	2.131	0.1019
	Non Resident Indians (Non Repat)	3989	0	3989	0.0234	2733	0	2733	0.016	-0.0074
	Non Resident Indians (Repat)	90979	0	90979	0.5333	38223	0	38223	0.224	-0.3093
	Clearing Member	205440	0	205440	1.2043	244981	0	244981	1.436	0.2317
	Bodies Corporate	750217	0	750217	4.3977	705823	0	705823	4.138	-0.2597
	Sub Total (B)(3)	5372994	3562	5376556	31.5169	5232441	3562	5236003	30.693	-0.8239
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	5372994	3562	5376556	31.5169	5232441	3562	5236003	30.693	-0.8239
	Total (A)+(B)	17055688	3562	17059250	100	17055688	3562	17059250	100	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	17055688	3562	17059250	100	17055688	3562	17059250	100	

Annexure B to Directors Report
FORM NO. MGT 9

ii) Change in promoter's Shareholding (Please Specify, if there is no change)								
Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Frontline Commercial Pvt. Ltd.	1416230	8.3018	5.6405	1505352	8.8243	5.6405	0.5225
2	Kaveridevi Jeetmal Malu	1042487	6.111	0.0000	1042487	6.111	0.0000	0
3	Wistaria Farms Private Ltd	1033500	6.0583	6.0583	1033500	6.0583	6.0583	0
4	Vasudeo Malu	726424	4.2582	4.2582	726424	4.2582	4.2582	0
5	Shashikala Malu	667464	3.9126	3.9126	668753	3.9202	3.9126	0.0076
6	Sunflame Fuels Pvt. Ltd	527255	3.0907	3.0907	527255	3.0907	3.0907	0
7	Marigold Farms Pvt. Ltd.	412500	2.418	2.4180	412500	2.418	2.4180	0
8	Suman Malu	403750	2.3668	2.3668	403750	2.3668	2.3668	0
9	Punamchand Ramlal Malu	402208	2.3577	2.3577	402208	2.3577	2.3577	0
10	Banwarilal Malu	372912	2.186	2.1860	372912	2.186	2.1860	0
11	Vasudeo Malu (Huf)	370117	2.1696	2.1696	370117	2.1696	2.1696	0
12	Damodarlal Ramlal Malu	345833	2.0272	2.0272	345833	2.0272	2.0272	0
13	Gajendra Jeetmal Malu	313356	1.8369	0.0000	313356	1.8369	0.0000	0
14	Narayan Banwarilal Malu	304340	1.784	1.5755	304340	1.784	1.5755	0
15	Purushottam Ramlal Malu	302083	1.7708	1.7708	302083	1.7708	1.7708	0
16	Shrawan Kumar Ramlal Malu	288472	1.691	1.6609	288472	1.691	1.6609	0
17	Manisha Banwarilal Malu	262500	1.5388	1.5388	262500	1.5388	1.5388	0
18	Venugopal Punamchand Malu	217958	1.2777	1.2762	217958	1.2777	1.2762	0
19	Radheshyam Purushottam Malu	217708	1.2762	1.2762	217708	1.2762	1.2762	0
20	Bharat Shrawankumar Malu	189583	1.1113	0.0000	239725	1.4052	0.0000	0.2939
21	Ganpati Malu	181250	1.0625	0.0000	181250	1.0625	0.0000	0

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Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
22	Anita Shrawankumar Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0
23	Kaushalya Punamchand Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0
24	Pushpa Damodarlal Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0
25	Sushila Purushottam Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0
26	Damodarlal Malu (Huf)	158333	0.9281	0.9281	158333	0.9281	0.9281	0
27	Punamchand Malu { Huf }	158333	0.9281	0.9281	158333	0.9281	0.9281	0
28	Purushottam Malu (Huf)	158333	0.9281	0.9281	158333	0.9281	0.9281	0
29	Shrawankumar Malu (Huf)	158333	0.9281	0.9281	158333	0.9281	0.9281	0
30	Banwarilal Malu (Huf)	129933	0.7617	0.7617	129933	0.7617	0.7617	0
31	Solar Carbons Pvt Ltd	96667	0.5667	0.5667	96667	0.5667	0.5667	0
32	Ghasiram Jhumarlal Malu	50000	0.2931	0.2931	50000	0.2931	0.2931	0
33	Shalini Venugopal Malu	50000	0.2931	0.0000	50000	0.2931	0.0000	0
34	Kantadevi Shreevallabh Malu	27000	0.1583	0.0000	27000	0.1583	0.0000	0
35	Omprakash Jhumarlal Malu	14500	0.085	0.0850	14500	0.085	0.0850	0
	Total	11682694	68.483	0	11823247	69.307	0	0.824

Annexure B to Directors Report
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(iii) Change in Promoters Shareholding							
Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	FRONTLINE COMMERCIAL PVT. LTD.	1416230	8.3018			1416230	8.3018
	Transfer			07 Apr 2017	1647	1417877	8.3115
	Transfer			14 Apr 2017	13353	1431230	8.3898
	Transfer			21 Apr 2017	5290	1436520	8.4208
	Transfer			28 Apr 2017	5347	1441867	8.4521
	Transfer			05 May 2017	17314	1459181	8.5536
	Transfer			19 May 2017	11701	1470882	8.6222
	Transfer			09 Jun 2017	12016	1482898	8.6926
	Transfer			23 Jun 2017	9252	1492150	8.7469
	Transfer			11 Aug 2017	9672	1501822	8.8036
	Transfer			22 Sep 2017	30	1501852	8.8037
	Transfer			03 Nov 2017	2094	1503946	8.8160
	Transfer			10 Nov 2017	406	1504352	8.8184
	Transfer			16 Mar 2018	1000	1505352	8.8243
	AT THE END OF THE YEAR					1505352	8.8243
2	KAVERIDEVI JEETMAL MALU	1042487	6.1110			1042487	6.1110
	AT THE END OF THE YEAR					1042487	6.1110
3	WISTARIA FARMS PRIVATE LTD	1033500	6.0583			1033500	6.0583
	AT THE END OF THE YEAR					1033500	6.0583
4	VASUDEO MALU	726774	4.2582			726774	4.2582
	AT THE END OF THE YEAR					726774	4.2582
5	SHASHIKALA MALU	667464	3.9126			668753	3.9202
	Transfer			03 April 2017	1289		
	AT THE END OF THE YEAR					668753	3.9202
6	SUNFLAME FUELS PVT. LTD	527255	3.0907			527255	3.0907
	AT THE END OF THE YEAR					527255	3.0907
7	MARIGOLD FARMS PVT. LTD.	412500	2.4180			412500	2.4180
	AT THE END OF THE YEAR					412500	2.4180
8	SUMAN MALU	403750	2.3668			403750	2.3668
	AT THE END OF THE YEAR					403750	2.3668
9	PUNAMCHAND RAMLAL MALU	402208	2.3577			402208	2.3577
	AT THE END OF THE YEAR					402208	2.3577
10	BANWARILAL MALU	372912	2.1860			372912	2.1860
	AT THE END OF THE YEAR					372912	2.1860
11	VASUDEO MALU (HUF)	370117	2.1696			370117	2.1696
	AT THE END OF THE YEAR					370117	2.1696
12	DAMODARLAL RAMLAL MALU	345833	2.0272			345833	2.0272
	AT THE END OF THE YEAR					345833	2.0272
13	GAJENDRA JEETMAL MALU	313356	1.8369			313356	1.8369
	AT THE END OF THE YEAR					313356	1.8369
14	NARAYAN BANWARILAL MALU	304340	1.7840			304340	1.7840
	AT THE END OF THE YEAR					304340	1.7840
15	PURUSHOTTAM RAMLAL MALU	302083	1.7708			302083	1.7708
	AT THE END OF THE YEAR					302083	1.7708
16	SHRAWAN KUMAR RAMLAL MALU	288472	1.6910			288472	1.6910
	AT THE END OF THE YEAR					288472	1.6910
17	MANISHA BANWARILAL MALU	262500	1.5388			262500	1.5388
	AT THE END OF THE YEAR					262500	1.5388
18	BHARAT SHRAWANKUMAR MALU	189583	1.1113			189583	1.1113
	Transfer			10 Nov 2017	18162	207745	1.2178
	Transfer			24 Nov 2017	22875	230620	1.3519
	Transfer			01 Dec 2017	5995	236615	1.3870
	Transfer			05 Jan 2018	(6000)	230615	1.3518
	Transfer			12 Jan 2018	(1000)	229615	1.3460
	Transfer			19 Jan 2018	810	230425	1.3507
	Transfer			26 Jan 2018	6000	236425	1.3859
	Transfer			09 Feb 2018	2002	238427	1.3976
	Transfer			16 Feb 2018	1298	239725	1.4052
	AT THE END OF THE YEAR					239725	1.4052

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
19	VENUGOPAL PUNAMCHAND MALU	217958	1.2777			217958	1.2777
	AT THE END OF THE YEAR					217958	1.2777
20	RADHESHYAM PURUSHOTTAM MALU	217708	1.2762			217708	1.2762
	AT THE END OF THE YEAR					217708	1.2762
21	GANPATI MALU	181250	1.0625			181250	1.0625
	AT THE END OF THE YEAR					181250	1.0625
22	KAUSHALYA PUNAMCHAND MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
23	PUSHPA DAMODARLAL MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
24	SUSHILA PURUSHOTTAM MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
25	ANITA SHRAWANKUMAR MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
26	PURUSHOTTAM MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
27	PUNAMCHAND MALU { HUF }	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
28	DAMODARLAL MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
29	SHRAWANKUMAR MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
30	BANWARILAL MALU (HUF)	129933	0.7617			129933	0.7617
	AT THE END OF THE YEAR					129933	0.7617
31	SOLAR CARBONS PVT LTD	96667	0.5667			96667	0.5667
	AT THE END OF THE YEAR					96667	0.5667
32	GHASIRAM JHUMARLAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
33	SHALINI VENUGOPAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
34	KANTADEVI SHREEVALLABH MALU	27000	0.1583			27000	0.1583
	Transfer			26 May 2017	100	27100	0.1589
	Transfer			02 Jun 2017	100	27200	0.1594
	Transfer			10 Nov 2017	(200)	27000	0.1583
	Transfer			01 Dec 2017	(100)	26900	0.1577
	Transfer			08 Dec 2017	(100)	26800	0.1571
	Transfer			15 Dec 2017	(100)	26700	0.1565
	Transfer			22 Dec 2017	200	26900	0.1577
	Transfer			09 Feb 2018	100	27000	0.1583
	AT THE END OF THE YEAR					27000	0.1583
35	OMPRAKASH JHUMARLAL MALU	14500	0.0850			14500	0.0850
	AT THE END OF THE YEAR					14500	0.0850

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 17059250 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

Annexure B to Directors Report
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iv) Shareholding Pattern of Top Ten Shareholders							
Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	BIPS TRADECOM P. LTD	424011	2.4855			424011	2.4855
	AT THE END OF THE YEAR					424011	2.4855
2	ASHOK KUMAR KISHORILAL DAMANI	173641	1.0179			173641	1.0179
	Transfer			08 Dec 2017	(5000)	168641	0.9886
	Transfer			15 Dec 2017	(1000)	167641	0.9827
	AT THE END OF THE YEAR					167641	0.9827
3	SHILPA STOCK BROKER PVT.LTD.	200	0.0012			200	0.0012
	Transfer			19 May 2017	700	900	0.0053
	Transfer			02 Jun 2017	200	1100	0.0064
	Transfer			16 Jun 2017	100	1200	0.0070
	Transfer			30 Jun 2017	1400	2600	0.0152
	Transfer			07 Jul 2017	(100)	2500	0.0147
	Transfer			21 Jul 2017	(1000)	1500	0.0088
	Transfer			08 Sep 2017	495	1995	0.0117
	Transfer			15 Sep 2017	(595)	1400	0.0082
	Transfer			22 Sep 2017	(800)	600	0.0035
	Transfer			27 Oct 2017	(400)	200	0.0012
	Transfer			08 Dec 2017	200	400	0.0023
	Transfer			15 Dec 2017	1100	1500	0.0088
	Transfer			12 Jan 2018	79213	80713	0.4731
	Transfer			19 Jan 2018	3000	83713	0.4907
	Transfer			31 Mar 2018	(4500)	79213	0.4643
	AT THE END OF THE YEAR					79213	0.4643
4	MANOJ KHANDERIA	78622	0.4609			78622	0.4609
	Transfer			29 Sep 2017	(4000)	74622	0.4374
	AT THE END OF THE YEAR					74622	0.4374
5	MALU ELECTRODES PVT. LTD	66587	0.3903			66587	0.3903
	AT THE END OF THE YEAR					66587	0.3903
6	BHAGIRATH HEDA	57655	0.3380			57655	0.3380
	Transfer			16 Feb 2018	400	58055	0.3403
	Transfer			23 Feb 2018	2000	60055	0.3520
	Transfer			16 Mar 2018	2795	62850	0.3684
	AT THE END OF THE YEAR					62850	0.3684
7	BRIJMOHAN SHRIVALLABH MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
8	SHRUTI RADHESHYAM MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
9	DR RAMESH CHIMANLAL SHAH	130000	0.7620			130000	0.7620
	Transfer			14 Apr 2017	(10000)	120000	0.7034
	Transfer			26 May 2017	(3900)	116100	0.6806
	Transfer			02 Jun 2017	(6079)	110021	0.6449
	Transfer			09 Jun 2017	(3077)	106944	0.6269
	Transfer			16 Jun 2017	(6944)	100000	0.5862
	Transfer			23 Jun 2017	(5058)	94942	0.5565
	Transfer			30 Jun 2017	(3425)	91517	0.5365
	Transfer			14 Jul 2017	(8317)	83200	0.4877
	Transfer			21 Jul 2017	(5171)	78029	0.4574
	Transfer			28 Jul 2017	(2500)	75529	0.4427
	Transfer			11 Aug 2017	(2494)	73035	0.4281
	Transfer			08 Sep 2017	(1000)	72035	0.4223
	Transfer			22 Sep 2017	(2035)	70000	0.4103
	Transfer			29 Sep 2017	(520)	69480	0.4073
	Transfer			27 Oct 2017	(2000)	67480	0.3956
	Transfer			03 Nov 2017	(7480)	60000	0.3517
	Transfer			10 Nov 2017	(8417)	51583	0.3024
	Transfer			17 Nov 2017	(3400)	48183	0.2824
	Transfer			24 Nov 2017	(21942)	26241	0.1538
	Transfer			01 Dec 2017	(26241)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
10	PUSHPA BRIJMOHAN MANDHANI	44002	0.2579			44002	0.2579
	AT THE END OF THE YEAR					44002	0.2579

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 17059250 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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v) Shareholding of Directors and Key Managerial personnel

Sr. No.	Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		Number of shares held	% of the total Shares of the Company	Date	Increase / Decrease Shareholdin	Reason	No. of Shares	% of the total Shares of the Company
1	DAMODARLAL MALU	345,833	2.03	4/1/2017		Nil movement		
	Chairman	345,833	2.03	3/31/2018				
2	PUNAMCHAND MALU	402,208	2.36	4/1/2017		Nil movement		
	Managing Director	402,208	2.36	3/31/2018				
3	BANWARILAL MALU	372,912	2.19	4/1/2017		Nil movement		
	Jt. Managing Director	372,912	2.19	3/31/2018				
4	VASUDEO MALU	726,424	4.26	4/1/2017		Nil movement		
	Non Executive Director	726,424	4.26	3/31/2018				
5	Chandrakant Thakkar	2,232	0.01	4/1/2017		Nil movement		
	Non Executive Director	2,232	0.01	3/31/2018				
6	Satyanarayan Rathi	-	-	4/1/2017		Nil movement		
	Non Executive Director		-	3/31/2018				
7	Shyamsunder Sarda	-	-	4/1/2017		Nil movement		
	Non Executive Director		-	3/31/2018				
8	Shrutika Inani	-	-	4/1/2017		Nil movement		
	Non Executive Director		-	3/31/2018				
9	Girish Malpani	-	-	4/1/2017		Nil movement		
	CFO		-	3/31/2018				

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V INDEBTEDNESS

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

	Particulars	Secured Loans Excluding deposits	unsecured loans	deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i	Principal Amount	562,043,866.00	364,550,000.00	-	926,593,866.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	562,043,866.00	364,550,000.00	-	926,593,866.00
Change in Indebtedness during the financial year					
	Addition	-	46,175,000.00	-	46,175,000.00
	Reduction	(143,470,853.00)	-	-	(143,470,853.00)
	Net change	(143,470,853.00)	46,175,000.00	-	(97,295,853.00)
Indebtedness at the end of the financial year					
i	Principal Amount	418,573,013.00	410,725,000.00	-	829,298,013.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	418,573,013.00	410,725,000.00	-	829,298,013.00

Annexure B to Directors Report
FORM NO. MGT 9

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Joint Managing Director and/or Manager

sl no	Particulars of Remuneration	Name of MD/ JMD		Total Amount
		Punamchand Malu	Banwarilal Malu	
1	Gross Salary	1,200,000	1,200,000	2,400,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
Total (A)		1,200,000	1,200,000	2,400,000

This is minimum remuneration as per Schedule V of the Companies Act, 2013.

B Remuneration to other Directors

sino	Particulars of Remuneration	Name of Directors						Total Amount
		Chandrakant Thakar	Satyanarayan Rathi	Shyamsunder Sarda	Shrutika Inani	Damodarlal Malu	Vasudeo Malu	
1	Independent Directors							
	For attending Board/ Committee Meetings	4,000	8,000	2,000	10,000	-	-	24,000
-	Commission	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-
Total (1)		4,000	8,000	2,000	10,000	-	-	24,000
2	Other Non Executive							
	For attending Board/ Committee Meetings	-	-	-	-	6,000	4,000	10,000
-	Commission	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-
Total (2)		-	-	-	-	6,000	4,000	10,000
Total B (1+2)		4,000	8,000	2,000	10,000	6,000	4,000	34,000

Note: Shri Damodarlal Malu is related to Shri Punamchand Malu (Brother) and Shri Banwarilal Malu is related to Shri Vasudeo Malu (Brother).

Except sitting fees for meetings of Board or its Committees, independent directors and non-executive directors are not paid any salary, benefits, bonuses, stock options, pension etc. There is no contract, Notice period or severance fees applicable. Stock Option details - Not applicable as the same is not given.

C Remuneration to Key Managerial Personnel

Sl No	Particulars of Remuneration	Name of Key Managerial Personnel	
		Girish Malpani, CFO	Total
1	Gross Salary	3,364,430	3,364,430
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others	-	-
Total (A)		3,364,430	3,364,430

VII PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal Made, if any (give details)
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A. COMPANY

Penalty

Punishment

Compounding

B. DIRECTORS

Penalty

NIL

Punishment

Compounding

C. OTHER OFFICERS IN DEFAULT

Penalty

Punishment

Compounding

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Information as required under the Companies Act, 2013 is given hereunder:

A. Conservation of energy

POWER & FUEL CONSUMPTION		Current Year	Previous Year
1	Electricity (Purchased) Units	1,27,96,399	1,21,85,880
	Total Amount	7,25,89,330	7,89,29,859
	Rate per Unit	5.67	6.48
2	Electricity (Generated) Units	3,74,11,300	3,91,80,700
	Diesel consumed in Liters	-	-
	Total Amount	-	-
	Rate per Unit	-	-
3	Total Units consumed	5,02,07,699	5,13,66,580

B. Consumption per unit of production

Quality		Kwh/MT	Kwh/MT
Kraft Paper	:	248.693	253.216
Newsprint, Writing & Printing Paper	:	928.556	921.114

C. Energy conservation measures

- Improvisation and continuous monitoring of Power Factor and replacement of weak capacitors by conducting periodical checking of capacitors. We have been able to maintain the Power Factor near to unity and thereby availing the rebate in electricity charges.
- Use of variable frequency drives, so that the system runs at variable speed, thereby reducing energy consumption.
- Gradual replacement of copper ballast with LED thereby saving in consumption of electricity.
- Optimization of pumps size and modification of the pipe line to reduce the running load of motors.
- The Company has endeavored to optimize the use of energy resources and taken adequate steps to avoid wastage.

B. Technology absorption and research and development

(1) Research and Development:

The technical staff of the company have visited similar plants and have taken efforts in simplifying and debottlenecking the manufacturing process to improve the quality of the product and to reduce the cost of production by optimization of resources.

(2) R & D Expenditure

	31st March, 2018	31st March, 2017
	Amount in Rs	
(a) Capital	NIL	NIL
(b) Revenue		
(c) Total		
(d) Total R&D expenditure as % of Total Turnover		

(3) Technology absorption, adaption and innovation

(a) Efforts in brief made towards technology absorption, adaption and innovation:

- Constant monitoring of process and technology up gradation taking place in bigger companies and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers for improvements to processing and operating parameters.

(b) Benefits derived as a result of above efforts.

- The Company has benefited from reduction in cost due to process optimization, increased revenue through higher exports.

(c) The company has not imported technology during the last 8 years reckoned from the beginning of the financial year.

C. Foreign Exchange Earning and Outgo

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

The company has pursued various international markets in Africa and Asia to market its product and has been successful in increasing its export in spite of being a very competitive export market.

(b) Information in respect of Foreign Exchange Earning and Outgo is:

	Amount in Rs.	
	Current Year	Previous Year
Earning	18,55,25,078	7,63,32,124
Outgoing	17,82,96,311	11,52,46,559

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on the Corporate Governance for the financial year 2017-18 as incorporated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your company believes that good Corporate Governance brings about sustained growth and long term benefits for shareholders. The Company's broad policies of Corporate Governance and viz. transferability, professionalism and accountability are the guiding principles of management of the company aiming to the aspiration of the stakeholders.

2. BOARD OF DIRECTORS:

The Board of Directors comprises optimum mix of Six Non-Executive Directors and two Executive Directors as on 31st March. The Board monitors performance of the Company, approves and receives policies / strategies and evaluate management performance. The Board ensures legal and ethical conduct and accurate financial reporting. The Chairman of the Board is Non-Executive Director.

i)	Non-Executive Directors:	DIN
a)	Promoter Group	
	1 Shri Damodarlal Malu, Chairman	00301120
	2 Shri Vasudeo Malu	00301313
b)	Independent	
	1 Shri Satyanarayan Rathi	01797378
	2 Shri Chandrakant Thakar	00784189
	3 FCA Shrutika Inani	06937649
	4 Shri Shyamsunder Sarda	02399265
ii)	Executive Directors:	
	1 Punamchand Malu	00301030
	2 Banwarilal Malu	00301297

The Board of Directors meets at least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other business. 06 (six) meetings of Board of Directors were held on 22/05/2017, 11/8/2017, 14/09/2017, 13/11/2017, 13/12/2017 and 12/03/2018 during the financial year.

Attendance of each Director at the meetings of Board of Directors held during the financial year 2017-18, last Annual General Meeting and the Number of Directorships and memberships of Committees of each Director in various Companies during the period under review is as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship in India
Shri Punamchand Malu	ED	5	YES	-
Shri Banwarilal Malu	ED	6	YES	-
Shri Damodarlal Malu	NED	3	YES	-
Shri Vasudeo Malu	NED	3	YES	-
Shri Satyanarayan Rathi	ID	5	YES	-
Shri Chandrakant Thakar	ID	3	NO	01
FCA Shrutika Inani	ID	5	YES	-
Shri Shyamsunder Sarda	ID	1	NO	-

Notes-

- i. ED- Executive Director; NED Non Executive Director; ID – Independent Director
- ii. Excludes Private Limited companies & companies under section 8 of the Companies Act, 2013.

3. AUDIT COMMITTEE:

The Audit Committee as on 31-03-2018 comprised of three independent Non-Executive Directors namely FCA Shrutika Inani (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Chandrakant Thakar.

FCA Shrutika Inani is Chartered Accountant and possessed expert knowledge in the area of finance and accounting.

The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia include overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control systems with the management and adequacy of internal audit functions, discussions with auditors about the scope of audit including the observations of the auditors and discussion with internal auditors on any significant findings. The Committee also recommends to the Board the remuneration payable to the Executive Directors.

During the year under review 05 (Five) meetings were held on 22/05/2017, 11/08/2017, 14/09/2017, 13/12/2017 and 12/03/2018. The following table gives attendance record:

Sl. No.	Name of the Members of Audit Committee	Number of Meetings held	Number of Meetings attended
1	FCA Shrutika Inani	5	5
2	Shri Satyanarayan Rathi	5	5
3	Shri Chandrakant Thakar	5	2

4. SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee as on 31st March 2018 comprised of three Directors i.e. Mr. Satyanarayan Rathi, Mr. Chandrakant Thakar and Mr. Banwarilal Malu

The shareholder grievance committee has been constituted to attend to and redress the shareholders / investors grievances in matters such as transfer of shares, non receipts of annual reports, dematerialization of shares etc.

The Company and the Link Intime India Pvt. Ltd., the RTA of the Company attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the satisfaction of the investors.

During the year under review, the Company has received 03 complaints from shareholders/investors, which inter-alia included non-receipt of Annual Report and the complaints were resolved. No complaint was pending as on March 31, 2018.

The Committee met on 22/05/2017 and 11/08/2017 in which two and three directors were respectively present.

Sl. No.	Name of the Members of Shareholders' Grievance Committee	Number of Meetings held	Number of Meetings attended
1	Shri Satyanarayan Rathi	2	2
2	Shri Chandrakant Thakar	2	1
3	Shri Banwarilal Malu	2	2

5. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee as on 31-03-2018 comprised of three independent Non-Executive Directors namely Shri Chandrakant Thakar (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Shyamsunder Sarda.

The Committee has been constituted to recommend remuneration of executive Directors, formulation of criteria for evaluation of Independent Director, Identifying persons who are qualified to become Directors and who may be appointed in senior management and recommendation to the Board for their appointment and removal.

6. THE LOCATION AND TIME OF THE LAST 3 ANNUAL GENERAL MEETINGS:

Financial year	Location	Date & Time of AGM
2016-17	Heera Plaza, 4 th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	27-09-2016 at 3.00 PM
2015-16	Heera Plaza, 4 th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	24-09-2016 at 3.00 PM
2014-15	Heera Plaza, 4 th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	22-09-2015 at 11.00 AM

7. DISCLOSURES:

There are no materially significant related party transactions of the Company, which have a potential conflict with the interest of the company at large.

Declaration

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the code of conduct for the year ended on 31st March, 2018.

8. MEANS OF COMMUNICATION:

During the year under review, the half-yearly and yearly results were displayed on the Company's web site <http://malupaper.com>. The quarterly results were also published in (English) newspaper (normally Indian Express) and in one vernacular (Marathi) newspaper (Loksata). These were not sent individually to the shareholders.

9. DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED AS REQUIRED IN TERMS OF THE LISTING AGREEMENT:

Name of the Director	Shri Damodar Lal Malu	Shri Vasudeo Malu
DIN	00301120	00301313
Date of Birth	07/07/1946	07/06/1960
Date of Appointment	11-01-1994	11/01/1994
Expertise in specific functional area	Industrialist	Businessman
Qualification	LLB	B.com
No. of equity shares held	345,833	726,424
Chairman/ Member of the Committees of the Board of Directors of the Company	-	-

10. GENERAL SHAREHOLDERS INFORMATION**1. Twenty fifth Annual General Meeting:**

Date : 21st September, 2018.

Time : 3.00 PM

Venue : Heera Plaza, 4th Floor, Near Telephone Exchange,
Central Avenue, Nagpur – 440 008 (MS).

2. **Dates of Book Closure:** 14th September 2018 to 21st September 2018 (both days inclusive).

3. Financial Calendar of the Company:

The Financial Year covers the period from 01st April to 31st March.

Financial Reporting for 2018-19 (Tentative)

Unaudited Financial results for the quarter ending	30-06-2018	August, 2018
Unaudited Financial results for the quarter ending	30-09-2018	November, 2018
Unaudited Financial results for the quarter ending	31-12-2018	February, 2019
Unaudited Financial results for the quarter ending	31-03-2019	May, 2019

4. Listing on Stock Exchanges:

The equity shares of the Company are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India. The requisite annual listing fees for the year 2018-19 have been paid in full to the Stock Exchanges.

5. Stock Code:

The Bombay Stock Exchange Ltd. 532728
National Stock Exchange of India Ltd. MALUPAPER

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE from April 01, 2017 to March 31, 2018 are given below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2017	36.45	30.00	36.15	30.05
May, 2017	35.20	24.70	35.20	25.05
June, 2017	28.00	22.70	28.10	22.50
July, 2016	27.30	24.00	27.00	23.30
August, 2017	25.00	21.00	25.00	20.30
September, 2017	25.65	20.55	25.75	20.00
October, 2017	34.00	21.20	34.25	21.00
November, 2017	44.00	28.00	42.95	29.10
December, 2017	52.80	35.00	53.00	33.35
January, 2018	49.95	41.55	49.85	41.40
February, 2018	43.40	33.00	44.15	33.15
March, 2018	37.00	30.00	37.00	29.30

6. Registrar and Transfer Agents:

Link Intime Private Limited
C- 101, 247 Park, LBS Marg, Vikroli (W)
Mumbai 400 083 (MS)
Tel. No. 022-49186000
Fax No. 022- 49186060
Email: info@linkintime.co.in

7. Share Transfer System:

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the document, provided the documents are valid and complete in all respects.

8. Distribution of Equity Shareholding as on 31-03-2018:

Shareholding of Shares			Share holders		Total Shares	
			Number	%	Shares	%
1	-	500	4,314	76.4352	7,17,450	4.2056
501	-	1000	634	11.2332	5,26,226	3.0847
1001	-	2000	286	5.0673	4,42,515	2.5940
2001	-	3000	117	2.073	2,96,581	1.7385
3001	-	4000	55	0.9745	1,97,972	1.1605
4001	-	5000	43	0.7619	2,06,332	1.2095
5001	-	10000	80	1.4174	5,95,493	3.4907
10001	And	Above	115	2.0376	140,76,681	82.5164
TOTAL			5,644	100.0000	1,70,59,250	100.0000

9. Shareholding Pattern as on 31-03-2018:

Category	No. of Shares held	% of Share holding
Indian Promoters	118,23,247	69.3070
Private Corporate Bodies	7,05,823	4.1375
Indian Public	44,89,224	26.3156
NRI's	40,956	0.2401
TOTAL	17,059,250	100.00

10. Dematerialisation of Shares:

As at 31st March 2018, 170,55,688 (99.97%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days. No GDRs, ADRs or warrants have been issued by the Company.

11. Registered Office of the Company:

Heera Plaza, 4th Floor,
Near Telephone Exchange,
Central Avenue,
Nagpur – 440 008 (MS)
Tel. No: (0712) 2760308; 2778506
Email: info@malupaper.com

12. Plant Locations:

Kraft Division
Village: Borujwada,
Taluka: Saoner
Saoner Road.
District: Nagpur.

Newsprint & Writing Printing Division
Village: Heti Surla
Taluka: Saoner
Nagpur Bhopal Highway
District: Nagpur.

13. Address for Correspondence from Shareholders:

(Registered Office)
Malu Paper Mills Ltd.
Heera Plaza, 4th Floor,
Near Telephone Exchange,
Central Avenue, Nagpur – 440 008 (MS)
Tel. No: (0712) 2760308; 2778506
Fax. No. (0712) 2760310
Email: contacts@malupaper.com

CERTIFICATE BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)

To,
The Board of Directors
Malu Paper Mills Ltd.

Pursuant to the provisions of Regulation 17(8) of the Listing Regulations, we hereby certify that

- (a) we have reviewed financial statements and the cash flow statement for the financial year 2017-18 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 09/08/2018

Punamchand Malu
Managing Director

Girish Malpani
CFO



R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS

1/7, Chaitanya Society, Vakola Bridge,
Santacruz (East), Mumbai - 400 055.
Tel.: 022-2668 1719 / 022-2668 0488
E-mail : rashmikanca@yahoo.co.in
cakuvadia@gmail.com

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Auditors' Certificate on compliance with the conditions of Corporate Governance under Regulation 17 to 27 & 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Malu Paper Mills Limited

We have examined the compliance of corporate governance by Malu Paper Mills Limited ("the Company") for the year ended on March 31, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period ended on March 31, 2018;

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

In our opinion and to the best of our information and according to explanations given to us, we state that the Company has complied with the conditions of corporate governance as stipulated in above mentioned Listing agreement/ Listing Regulations, as applicable subject to the following observation:

Observation: During the period under review, Company has not duly complied with the provision with respect to the Appointment of Key Managerial Personnel. However the Appointment of Company Secretary has been duly made with effect from 31st July, 2018.

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

For R. A. Kuvadia & Co.
Chartered Accountants
F. R. N. 105487W

Place: Nagpur
Date: 09.08.2018

R. A. Kuvadia
Proprietor
M.No.40087



R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS

1/7, Chaitanya Society, Vakola Bridge,
Santacruz (East), Mumbai - 400 055.
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cakovadia@gmail.com

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MALU PAPER MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MALU PAPER MILLS LIMITED**, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with

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

Opinion

In our Opinion and to the best of our information and according to the explanations given to us and subject to matter described in the Emphasis of Matters, the aforesaid 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;

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- b) In the case of the statement of Profit and Loss (including Other Comprehensive Income), of the profit for the year ended on 31st March 2018;
- c) In case of the Statement of Changes in Equity, the changes in equity for the year ended on 31st March 2018; and
- d) In the case of the Cash Flow Statement, of the cash flow for the year ended on 31st March 2018.

Emphasis of Matters

We draw attention to the following matter:

Balances shown under Loans and Advances, Sundry Debtors, Sundry Creditors and Current Liabilities being subject to confirmations/ reconciliations/settlement

and consequential adjustments, if any the impact thereof cannot be ascertained at this stage.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss & the Cash Flow Statements dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
 - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) 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 matter 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 :

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R.A. Kuvadia & Co
Chartered Accountants**

**Place : NAGPUR
Date : 29-05-2018**

**R.A. Kuvadia
Proprietor
Mem No. : 040087
FRN : 105487W**



R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS

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cakovadia@gmail.com

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ANNEXURE "A" OF THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of the Malu Paper Mills Limited for the year Ended on 31st March 2018.

We report that:-

- (i) a) As per the information and explanation provided to us, the preparation of fixed assets register showing full particulars including quantitative details, coding and situation of Fixed Assets is approaching completion.
- b) As per the information and explanation provided to us, the physical verification of the fixed assets has been carried out by the management; and no material discrepancies were noticed on such verification.
- c) On examination of the documents provided to us, the title deeds of immovable properties (Freehold land and Leasehold land) are held in the name of company and no material discrepancies were noticed on such verification.
- (ii) As per the information and explanation provided to us, the management has physically verified its inventories at reasonable intervals
- (iii) 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 Companies Act. Hence, Clause (a), (b) & (c) are not applicable.
- (iv) The company has not provided any loans, guarantees & security, or made any investment. Thus, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The company has not accepted deposits from the public. Hence the issue of compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- (vi) We have broadly reviewed books of accounts maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 128 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed

examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us and the records examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at **31st March, 2018** for a period of more than six months from the date they became payable.
- (viii) During the Financial Year 2011-12, all the credit facilities utilised from banks are restructured under the Corporate Debts Restructure (CDR) mechanism and according to the records of the company examined by us and the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any financial institutions or banks. The company does not have any borrowings by way of debentures.
- (ix) During the year, no money has been raised either by way of initial public offer or further public offer or by term loans, by the company.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) The provisions of Nidhi Rules, 2014 are not applicable to the company.
- (xii) According to the information and explanations provided to us by the management, all transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiii) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xiv) The company has not entered into any non-cash transactions with directors or persons connected with him. The provision of section 192 of Companies Act, 2013 are, therefore, not applicable.
- (xv) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R.A. Kuvadia & Co
Chartered Accountants**

**Place : NAGPUR
Date : 29-05-2018**

**R.A. Kuvadia
Proprietor
Mem No. : 040087
FRN : 105487W**



R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS

1/7, Chaitanya Society, Vakola Bridge,
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Tel.: 022-2668 1719 / 022-2668 0488
E-mail : rashmikanthca@yahoo.co.in
cakovadia@gmail.com

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Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MALU PAPER MILLS LIMITED** as of **31 March, 2018**, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls 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.

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 adequate internal financial controls 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 control 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 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 controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control 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 control 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.

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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

The Company is in process of compiling the documented policies for internal financial controls with respect to maintenance of records, authorization by appropriate authority for material transactions, check against unauthorized, acquisition/use/disposition of company's assets, and utilization of equity and borrowed funds, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely completion of reliable financial information etc. The company is streaming to lay down controls with respect to the above.

In view of this, in our opinion the adequacy & effectiveness of the internal control systems over financial reporting as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India needs to be strengthened.

**For R.A. Kuvadia & Co
Chartered Accountants**

**Place : NAGPUR
Date : 29-05-2018**

**R.A. Kuvadia
Proprietor
Mem No. : 040087
FRN : 105487W**

MALU PAPER MILLS LTD ; NAGPUR

BALANCE SHEET AS AT 31ST MAR' 2018				
PARTICULARS	Notes	As at 31st Mar 18	As at 31st Mar 17	As at 1st Apr 16
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	802,608,716	843,573,748	889,855,750
Capital work in progress	2	10,628,650	-	-
Investment properties		-	-	-
Intangible assets		-	-	-
Financial Assets:				
i. Investments	3	1,100,000	1,100,000	1,100,000
ii. Other	4	5,393,968	5,101,706	4,962,898
Other non-current Assets	5	2,831,272	47,354,583	58,839,903
Deffered Tax Asset (Net)	6	83,966,662	90,948,479	103,895,279
Total non-current assets		906,529,269	988,078,516	1,058,653,830
Current Assets				
Inventories	7	314,114,000	228,776,550	181,364,250
Financial Assets				
i. Trade Receivables	8	278,583,436	234,677,399	228,558,406
ii. Cash and Cash Equivalents	9	553,875	796,050	2,584,537
iii. Bank balances other than Cash & Cash Equivalent	10	15,581,945	15,584,717	16,343,848
iv. Other financial assets	11	22,684,052	18,719,415	10,888,520
Other current assets	12	51,108,822	28,924,160	56,681,068
Total Current Assets		682,626,129	527,478,290	496,420,628
Total Assets		1,589,155,398	1,515,556,806	1,555,074,458
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	13	170,592,500	170,592,500	170,592,500
Other Equity	14	74,941,974	70,442,633	48,835,967
Total Equity		245,534,474	241,035,133	219,428,467
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	15	266,419,696	420,113,535	510,521,065
Provisions	16	6,899,606	5,299,373	3,933,383
Other non-current liabilities		-	-	-
Total Non-Current liabilities		273,319,301	425,412,908	514,454,448
Current Liabilities				
Financial Liabilities				
i. Borrowings	17	656,460,350	605,148,980	590,281,976
ii. Trade Payables	18	323,844,428	170,014,999	153,943,775
iii. Other Financial Liabilities	19	89,996,845	73,944,786	76,965,792
Provisions		-	-	-
Other current liabilities		-	-	-
Total Current Liabilities		1,070,301,623	849,108,765	821,191,542
Total Liabilities		1,343,620,924	1,274,521,673	1,335,645,990
Total Equity and Liabilities		1,589,155,398	1,515,556,806	1,555,074,458
<p>Significant accounting policies 1</p> <p>Notes to the financial statements 2-40</p> <p>The notes referred to above form an integral part of the financial statements.</p> <p>For Malu Paper Mills Limited, As per our Report of even date,</p> <p style="text-align:right">For R.A.Kuvadia & Co.</p> <p style="text-align:right">Chartered Accountants</p> <p>Punamchand Malu Banwarilal Malu Girish Malpani</p> <p>(Managing Director) (Jt.Managing Director) (CFO)</p> <p>(Din 00301030) (Din 00301297)</p> <p>Place : Nagpur R.A.Kuvadia</p> <p>Date : 29-05-2018 Proprietor</p> <p style="text-align:right">M.No. 040087</p> <p style="text-align:right">FRN : 105487W</p>				

MALU PAPER MILLS LTD ; NAGPUR

Statement of Profit & Loss Account for the year ended 31st March, 2018			
Particulars	Note	For The Year Ended 31st Mar 2018	For The Year Ended 31st Mar 2017
CONTINUING OPERATIONS			
Revenue from Operations	20	2,820,667,565	2,505,400,323
Other Income	21	11,563,369	12,742,500
Total Income		2,832,230,934	2,518,142,824
Expenses			
Cost of Material Consumed	22	1,879,657,229	1,525,340,343
Purchase of Stock in trade		-	-
Excise duty on sale of goods	23	29,273,764	78,956,980
Changes in Inventories of Work in progress and Finished Goods	24	9,410,000	(17,563,300)
Employee benefit expenses	25	80,117,035	75,096,421
Depreciation and Amortization expense	2	48,034,557	47,990,664
Impairment of assets		-	-
Other expenses	26	643,200,818	621,458,085
Finance Costs	27	120,049,855	145,017,601
Total Expenses		2,809,743,258	2,476,296,795
Profit before exceptional items and tax		-	-
Exceptional items		-	-
Profit before tax		22,487,676	41,846,029
Income Tax expenses		-	-
Current Tax		-	-
Mat Credit Entitlement		-	-
Deferred Tax		6,981,817	12,946,800
Income Tax for prior period		908,580	-
Total tax expenses		7,890,397	12,946,800
Profit/(loss) for the period from continuing operations		14,597,280	28,899,229
Other Comprehensive Income			
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss		-	-
Remeasurement of employees benefit obligations		-	-
Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
Other Comprehensive Income for the period (net of tax)			
Total Comprehensive Income for the year		14,597,280	28,899,229
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (In `)		0.86	1.69
Diluted Earning per share (In `)		0.86	1.69
Significant accounting policies		1	
Notes to the financial statements		2-40	
The notes referred to above form an integral part of the financial statements.			
For Malu Paper Mills Limited.		As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants	
Punamchand Malu (Managing Director) (Din 00301030) Place : Nagpur Date : 29-05-2018	Banwarilal Malu (Jt.Managing Director) (Din 00301297)	Girish Malpani (CFO)	R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W

MALU PAPER MILLS LTD ; NAGPUR

Cash Flow Statement for the year ended 31st March, 2018		
Particulars	For The Year Ended 31st Mar 2018	For The Year Ended 31st Mar 2017
Cash flow from Operating activities		
Profit before income tax from		
Continuing Operations	22,487,676	41,846,029
Non-Cash Income	(10,097,939)	(10,017,153)
Profit before income tax including discontinued operations	12,389,737	31,828,876
Adjustments for		
Depreciation and amortisation	48,034,557	47,990,664
Non-Cash Expense- Provision for Gratuity	1,600,233	1,365,990
Loss/(Gain) on disposal of Property, plant and equipment	-	(261,861)
Dividend and interest income classified as investing cash flows	(1,465,430)	(2,463,487)
Finance Costs	120,049,855	145,017,601
Net exchange differences		
Total	180,608,953	223,477,784
(increase) / Decrease in trade receivables	(43,906,037)	(6,118,993)
(increase) / Decrease in inventories	(85,337,450)	(47,412,300)
Increase /(Decrease) in Trade Liabilities and Other Financial Liabilities	169,881,488	13,050,218
(increase) / Decrease in Other Financial Assets	(3,964,637)	(7,830,895)
(Increase)/Decrease in Other Current Assets (Excluding Income Tax)	(23,093,242)	27,756,908
Total	13,580,123	(20,555,062)
Cash generated from operations	194,189,076	202,922,722
Less: Income Tax paid	-	-
Net cash inflow from operating activities	194,189,076	202,922,722
Cash flow from investing activities		
Payments for property, plant and equipment	(17,698,176)	(1,836,801)
Change in Other Financial Assets	1,112,647	1,510,435
Change in Other Non Current Assets	44,523,311	11,485,320
Proceeds from sale of property, plant and equipments	-	390,000
Interest received	60,521	814,244
Net Cash Flow from investing activities	27,998,303	12,363,198
Cash flow from financing activities		
Proceeds/Repayments of borrowings (Net)	(102,382,470)	(75,540,525)
Interest paid	(120,049,855)	(145,017,601)
Repayment of Other Non-Current Liabilities	-	2,724,590
Net cash inflow (outflow) from financing activities	(222,432,325)	(217,833,537)
Net increase (decrease) in cash and cash equivalents	(244,947)	(2,547,617)
Cash and Cash equivalents at the beginning of the financial year	16,380,767	18,928,385
Cash In Hand	534,853	673,965
Bank Balances	15,845,912	18,254,419
Cash and cash equivalents at the end of the financial year	16,135,820	16,380,767
Cash In Hand	363,627	534,853
Bank Balances	15,772,193	15,845,912
Note: A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on 'Statement of Cash Flows'. B) Under Previous GAAP, bank overdrafts were presented as part of "Cash flows from financing activities" in the statement of cash flows. Under Ind AS, bank overdrafts are included as a component of cash and cash equivalents in the statement of cash flows.		
<div style="display: flex; justify-content: space-between;"> <div> For Malu Paper Mills Limited. </div> <div style="text-align: right;"> As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Punamchand Malu (Managing Director) (Din 00301030) Place : Nagpur Date : 29-05-2018 </div> <div> Banwarilal Malu (Jt.Managing Director) (Din 00301297) </div> <div> Girish Malpani (CFO) </div> <div style="text-align: right;"> R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W </div> </div>		

MALU PAPER MILLS LTD; NAGPUR

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of accounts

Statement of compliance

The accounts have been prepared in accordance with Ind AS and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Up to financial year ended on 31st March 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April 2016 & on 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes. Assets and liabilities have been classified as Current or Non Current on the basis of operating cycle (determined at 12 months) and other criteria set out in revised Schedule – III to the Companies Act, 2013.

1.2 Use of Estimates

Ind AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognised prospectively and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

1.3 First time adoption of IND AS

The Company has adopted Ind AS w.e.f 01/04/2017 with a transition date of 01/04/2016. Accordingly, financial statements for the year ended 31/03/2018 together with the comparative information for the year ended 31/03/2017 and opening Ind AS balance sheet as at 01/04/2016 have been prepared in accordance with accounting policies as set out in Note 1 - “Significant accounting policies”. The Company has prepared its opening Ind AS balance sheet as at 01/04/2016 by recognizing assets and liabilities whose recognition is required by Ind AS, derecognizing assets and liabilities which are not permitted by Ind AS, reclassifying assets and liabilities as required by Ind AS, and applying Ind AS measurement principles, subject to certain optional exemptions and mandatory

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exemptions. The resulting difference between the carrying values of the assets and liabilities as at the transition date under Ind AS and Previous GAAP have been adjusted directly against “Other Equity”. The policies & exemptions followed & availed in transition to Ind AS by Company is set out below:-

(a) Optional exemptions and mandatory exceptions:

The Company has availed the following optional exemptions and mandatory exceptions on first time adoption of Ind AS as per Ind AS 101.

(i) Optional exemptions

Deemed cost for property, plant and equipment:

The Company has opted to continue with the carrying value as per the Previous GAAP for all items of its property, plant and equipment as its deemed cost on the date of transition.

(ii) Mandatory exceptions

Classification and measurement of financial Instruments

The Company has determined the classification and measurement of financial assets on the basis of the facts and circumstances existing at the date of transition.

(b) Estimates

The Company's estimates under Ind AS as at 01/04/2016 are consistent with the estimates as at the same date made in conformity with the Previous GAAP. However, estimates that were not required under Previous GAAP but now required under Ind AS have been made on the basis facts and conditions as at the date of transition.

1.4 Recognition of Income and Expenses

- (a) Sales have been recognised with the transfer of significant risk and rewards of ownership of the goods with the company losing effective control or the right to managerial involvement thereon and the revenue (representing future economic benefit associated with the transaction) including cost incurred or to be incurred in respect of the transaction are measurable reliably and the recovery of the consideration is probable.
- (b) Sales are measured at the fair value of consideration received or receivable. Sales recognised is net of Sales tax, Service tax, Goods and Services tax (GST), rebates and discount but gross of Excise Duty.
- (c) Other incomes have been recognised on accrual basis in financial statements.

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- (d) Deposits placed with Government Agencies/ Local Authorities which are perpetual in nature are not subjected to present valuation and are held at cost.

1.5 Property, Plant and Equipment

These tangible assets are held for use in production, supply of goods or for administrative purposes. These are recognised and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

- (a) Cost includes freight, duties, taxes (other than those recoverable by the entity) and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met.
- (b) When a major inspection/repair occurs, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognised.
- (c) Depreciation has been provided on straight line method in terms of expected life span of assets as referred to in Schedule II of the Companies Act, 2013. The residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

1.6 Impairment of Non-Financial Assets

- (a) An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.
- (b) Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal.
- (c) Test of impairment of PPE, undertaken under Cash Generating Unit (CGU) concept.
- (d) Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para 12 of Ind AS-36.

1.7 Government subsidy / grant

The facility provided to defer the payment of MVAT by the government to us is considered as an interest free loan for the purpose of IND AS 20. The benefit from a government loan at an interest free rate is recognised as a

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government grant retrospectively. The benefit of an interest free government loan is measured as the difference between initial carrying value of the loan determined in accordance with IND AS 109 and the proceeds received (in this case amount of payment deferred). Such Difference is recorded as deferred income and it is recognised in the Statement of Profit and Loss, in the ratio of expenses the grant is intended to compensate (finance cost charged to the fair value of such loan).

1.8 Financial instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified in two broad categories:-

- a. Financial Assets at fair value.
- b. Financial Assets at amortized cost,

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss, or recognised in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost

Business Model Test:

The objective of the company's business model is to hold the financial asset to collect the contractual cash flows

Cash flow characteristics test:

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

Business Model Test:

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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Cash flow characteristics test:

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- (a) 12 months expected credit losses, or
- (b) Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities

All financial liabilities are initially recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Statement of Profit and Loss.

1.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, In the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.10 Lease assets

- a) Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease. No lease deal in which the company is a party as lessor is recognised as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013. Lease arrangement of any other nature is treated as operating lease.
- b) The only lease arrangement entered into by us is as a Finance Lease of the Leasehold Land, which has been categorized as a finance lease based on the above criteria.

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1.11 Inventories

Inventories comprising of raw materials, stock-in-progress, finished goods and consumable stores. Inventories are valued at cost or estimated net realizable value after providing for obsolescence and other losses, where considered necessary. The cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition. In the case of raw materials, stores and spares, and finished goods, cost is determined on the First-In-First-Out (FIFO) basis.

1.12 Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Short-term employee benefits

- i. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- ii. ESI is provided on the basis of actual liability accrued and paid to authorities.

b) Post Separation Employee Benefit Plan

i) Defined Benefit Plan:

Gratuity Liability is calculated using projected unit credit method as prescribed by IND AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield on government bonds that have terms approximate to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the Opening Balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Actuarial gain / loss pertaining to Gratuity Liability are accounted for in OCI. All remaining components of costs are accounted for in statement of profit & loss.

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ii) Defined Contribution Plans:

Company contributes its share of contribution to Employees Provident Fund in a scheme notified by Central Government and same is recognised in Statement of Profit and Loss Account as Employee Benefits.

1.13 Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognised subject to the probability that taxable profit will be available against which the temporary differences can be reversed. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are off set against each other.

1.14 Provisions, Contingent Liability and Contingent Assets

Provisions for Contingencies/ Contingent liabilities are recognised /disclosed after evaluation of facts and legal aspects of the matter involved, in line with Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when the Company has a present obligation (legal/constructive) and on management judgment as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

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1.15 Operating Segments

The Company operates in only one main segment i.e. manufacturing of paper. Since the company has only one reportable business segment and geographical segment, however the entity has disclosed information required by it as per PARA 31 of IND AS-108.

1.16 Earnings per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity share holders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.18 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. The entity has credit facilities of cash credit from various banks the balance of which cannot become negative, hence they are excluded from cash and cash equivalent.

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NOTE 2 : Property Plant and Equipment & Capital WIP

Sr. No.	Fixed Assets	Useful Life	Gross Block			Accumulated Depreciation			Net Block		
			Balance as at 1 April 2017	Additions during the year	Balance as at 31 Mar 2018	Balance as at 1 April 2017	Depreciation charge for the year	Balance as at 31 Mar 2018	Balance as at 31 Mar 2018	Balance as at 31 Mar 2017	Balance as at 1 April 2016
a	Tangible Assets (Under Lease)										
1	Leasehold Land		8,573,045		8,573,045	992,673	90,243	1,082,916	7,490,129	7,580,372	7,670,615
b	Tangible Assets (Not Under Lease)										
1	Freehold Land		7,631,171		7,631,171		0		7,631,171	7,631,171	7,631,171
2	Factory Building	30	211,251,909		211,251,909	70,657,328	6,454,969	77,112,297	134,139,612	140,594,581	147,060,550
3	Office Building	60	702,610		702,610	215,531	10,761	226,292	476,318	487,079	497,840
4	Office Building (Ho)	60	1,065,670		1,065,670	223,035	16,445	239,480	826,190	842,635	859,080
5	Staff Quarters	60	1,712,841		1,712,841	564,044	26,170	590,214	1,122,627	1,148,797	1,174,967
6	Plant & Machinery	25	773,941,343	1,509,150	775,450,493	320,085,945	26,130,302	346,216,247	429,234,246	453,855,398	479,974,505
7	Furniture & Fixture	10	3,363,016		3,363,016	2,640,056	176,335	2,816,391	546,625	722,960	899,295
8	Office Equipment	25	1,002,474		1,002,474	619,910	21,755	641,665	360,809	382,564	404,319
9	Computers	3	1,907,161		1,907,161	1,843,640	42,078	1,885,718	21,443	63,521	105,599
10	Boiler	25	12,059,151		12,059,151	8,661,658	288,649	8,950,307	3,108,844	3,397,493	3,686,142
11	Captive Power Plant	25	201,377,144		201,377,144	80,643,104	6,610,346	87,253,450	114,123,694	120,734,040	127,344,386
12	Water Supply Equipments	25	252,811		252,811	246,172	3,001	249,173	3,638	6,639	9,640
13	Fire Fighting Equipments	25	214,497		214,497	131,044	5,989	137,033	77,464	83,453	89,442
14	Effluent Treatment	25	26,077,357	4,548,375	30,625,732	13,032,169	1,215,935	14,248,104	16,377,628	13,045,188	14,161,245
15	Electrical Installation	25	120,371,331		120,371,331	48,012,189	4,172,805	52,184,994	68,186,337	72,359,142	76,531,947
16	Crane, Weigh bridge, Workshop Equip.	25	24,831,502		24,831,502	9,668,760	859,799	10,528,559	14,302,943	15,162,742	16,022,541
17	Vehicles	10	22,983,571	1,012,000	23,995,571	17,507,598	1,908,975	19,416,573	4,578,998	5,475,973	5,732,466
	Total		1,419,318,603	7,069,525	1,426,388,129	575,744,856	48,034,557	623,779,413	802,608,716	843,573,748	889,855,750
b	Capital Work In Progress		0	10,628,650.42	10,628,650.42	0	0	0	10,628,650	0	0
	Total		1,419,318,603	17,698,176	1,437,016,779	575,744,856	48,034,557	623,779,413	813,237,367	843,573,748	889,855,750

Note A. The leasehold Land is situated at Village Heti Surla, Saoner Industrial Area, Taluka Saoner , Dist : Nagpur
B. All assets are located in India.

Deemed cost exemption

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition to Ind AS from IGAAP and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on **April 1, 2016** under the previous GAAP.

DESCRIPTION	Land (Lease Hold)	Land (Free Hold)	Building	P&M
Gross Block	8,573,045.00	7,631,171.00	214,733,029.61	1,188,302,199.93
Accumulated Depreciation	902,430.00	-	65,140,593.00	463,340,672.52
Net Block	7,670,615.00	7,631,171.00	149,592,436.61	724,961,527.41

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NOTE	PARTICULARS	AS ON 31ST MAR' 2018 AMOUNT	AS ON 31ST MAR' 2017 AMOUNT	AS ON 1ST APR' 2016 AMOUNT
NOTE : 3 INVESTMENTS				
A	Investment in Equity instruments (Unquoted)			
	At Fair Value Through Other Comprehensive Income	1,100,000	1,100,000	1,100,000
	Ganga Care Hospitals Ltd.			
	(110000 Equity Shares of Rs. 10 each)			
	Total :	1,100,000	1,100,000	1,100,000
	The above equity investment is to be measured at fair value .However, due to insufficient information to measure fair value, Cost has been taken as the Fair Value, in compliance with Para B.5.2.3 of Ind AS 109.			
NOTE : 4 Other Non Current Financial Assets				
A	Fixed Deposit with Bank	5,001,576	5,001,576	3,917,951
	(Against Margin Money for Bank Guarantee)			
B	Accrued Interest on Fixed Deposit with Bank	392,392	100,130	1,044,947
	Grand Total :	5,393,968	5,101,706	4,962,898
NOTE : 5 Other Non Current Assets				
A Security Deposits				
	Unsecured, considered good	2,831,272	4,367,023	11,456,183
	Deposits with Government Authorities	-	42,987,560	47,383,720
	Total :	2,831,272	47,354,583	58,839,903
NOTE : 6 Deffered Tax Assets (Net)				
a Deffered Tax Assets				
	Unabsorbed Depreciation , Business Loss and Other employees entitlement.	259,660,662	269,848,479	285,558,673
b Deffered Tax Liability				
	Depreciation & Amortisation	175,694,000	178,900,000	181,663,394
	Total :	83,966,662	90,948,479	103,895,279

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NOTE : 7 INVENTORIES

a	Raw Materials and components (Valued at cost or NRV whichever is lower)		194,126,400		107,980,000		78,521,100
	Waste Paper - Indian	153,362,400		66,254,600		47,152,400	
	Waste Paper - Imported	19,092,600		23,865,000		14,554,200	
	Chemical	<u>21,671,400</u>		<u>17,860,400</u>		<u>16,814,500</u>	
b	Fuel		21,858,300		18,722,100		20,272,400
c	Packing Material		3,082,200		2,839,700		2,715,400
	Total (a+b+c) :		<u>219,066,900</u>		<u>129,541,800</u>		<u>101,508,900</u>
d	Finished goods (Valued at cost or NRV whichever is less)						
	Internally Manufactured		22,723,900		32,133,900		14,570,600
	Finished Goods	17,498,900		27,433,900		10,095,600	
	Stock In Process	<u>5,225,000</u>		<u>4,700,000</u>		<u>4,475,000</u>	
	Total (d) :		<u>22,723,900</u>		<u>32,133,900</u>		<u>14,570,600</u>
e	Consumable Stores (Valued at cost or NRV whichever is lower)		72,323,200		67,100,850		65,284,750
	Total (e) :		<u>72,323,200</u>		<u>67,100,850</u>		<u>65,284,750</u>
	Total (a+b+c+d+e) :		<u>314,114,000</u>		<u>228,776,550</u>		<u>181,364,250</u>

Note: Inventories have been hypothecated with banks against cash credit facility.

NOTE : 8 TRADE RECEIVABLES

a	Unsecured Debts						
	Considered Good		278,583,436		234,677,399		226,894,918
	Considered Doubtful		-		2,037,458		1,663,488
b	Less: Allowance for bad and doubtful debts		-		2,037,458		-
	Total (a + b - c) :		<u>278,583,436</u>		<u>234,677,399</u>		<u>228,558,406</u>

Note: (A) Trade Receivables have been hypothecated with banks against cash credit facility.

(B) Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

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NOTE : 9 CASH AND CASH EQUIVALENTS

a Cash in hand	363,627	534,853	673,965
b Balances with Banks			
In current Account with			
State Bank of India, Saoner	34,188	136,496	333,591
Oriental Bank of Commerce, Nagpur	38,755	38,755	38,755
Bank of India, Nagpur	61,137	61,137	61,137
Axis Bank Ltd; Nagpur - Collection Inflow	56,168	24,808	1,477,088
Total :	190,248	261,196	1,910,571
Total :	553,875	796,050	2,584,537

NOTE : 10 Bank Balances other than Cash & Cash Equivalents

a Other Bank Balances	15,172,518	15,114,928	15,566,722
(Against Margin Money for Letter of Credit)			
b Accrued Interest on FDR	409,427	469,789	777,126
Total	15,581,945	15,584,717	16,343,848

NOTE : 11 Other financial assets

a Advances Recoverable in Cash	6,635,506	1,617,229	-
b Deposits and Balances with Government and Other Authorities	16,048,546	17,102,186	10,888,520
Total	22,684,052	18,719,415	10,888,520

NOTE : 12 Other Current Assets

Unsecured, considered good			
a Advances recoverable (against goods)	51,108,822	28,924,160	56,681,068
Total :	51,108,822	28,924,160	56,681,068

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NOTE : 13

SHARE CAPITAL

	Number		Number		Number	
a <u>Authorised</u>						
Equity Shares of `Rs.10 each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
b <u>Issued</u>						
Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500	17,059,250	170,592,500
c <u>Subscribed & fully Paid up</u>						
Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500	17,059,250	170,592,500
Total :	17,059,250	170,592,500	17,059,250	170,592,500	17,059,250	170,592,500

d **Reconciliation of Number of Shares Outstanding :**

Shares outstanding at the beginning of the year	17,059,250	170,592,500	17,059,250	170,592,500	17,059,250	170,592,500
Movement During the Year	-	-	-	-	-	-
Shares outstanding at the end of the year	17,059,250	170,592,500	17,059,250	170,592,500	17,059,250	170,592,500

e **Rights, preference & restriction attached to Equity Shares**

The company has only one class of equity Share. Each Shareholder is eligible for one vote per share. In the event of liquidation of company, the shareholders are entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution shall be in proportion to number of equity shares held by the shareholder.

f **Details of Shareholders, holding more than 5% of the Paid up Equity Share Capital of the Company with Voting Rights :**

Name of Shareholder	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Frontline Commercial Pvt Ltd	1,504,352	8.82%	1,416,230	8.30%	1,395,401	8.18%
Wistaria Farms Pvt Ltd	1,033,500	6.06%	1,033,500	6.06%	1,033,500	6.06%
Kaveri Malu	1,042,487	6.11%	1,042,487	6.11%	1,052,487	6.17%

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NOTE 14 : Other Equity

Particular	Reserves and Surplus					Total
	General Reserve	Security Premium	Capital Grant (Deffered Sales tax Incentive Packages -As per Ind AS 20)	Retained Earning	OCI	
As at 1st April 2016	211,880,327	147,952,928	71,234,845	(382,232,133)	-	48,835,967
Net Profit/Loss for the period				28,899,229		28,899,229
Government Grant Deferred for the year			2,724,590			2,724,590
Recognised in Statement of Profit and Loss Account			(10,017,153)			(10,017,153)
As at 31st March 2017	211,880,327	147,952,928	63,942,282	(353,332,904)	-	70,442,633
Net Profit/Loss for the period				14,597,280		14,597,280
Recognised in Statement of Profit and Loss Account			(10,097,939)			(10,097,939)
As at 31st March 2018	211,880,327	147,952,928	53,844,343	(338,735,624)	-	74,941,974

Nature and description of reserve

(i) General Reserve - General reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(ii) Retained Earnings - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

(iii) Security Premium: It is created from amount collected on issue of shares in excess of the face value of such shares.

(iv) Capital Grant: It is the value of deferred government grant to be recognised in Profit and Loss account over the period in which the entity recognises the related interest on the value of deferred sales tax liability which the grant is intended to compensate.

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NOTE	PARTICULARS	AS ON 31ST MAR' 2018 AMOUNT	AS ON 31ST MAR' 2017 AMOUNT	AS ON 1ST APR' 2016 AMOUNT
NOTE : 15	<u>LONG-TERM BORROWINGS</u>			
a	<u>SECURED LOANS</u>			
	<u>(Consortium)</u>			
i	Bank of India, Mumbai	64,279,375	92,774,439	112,606,329
ii	Jammu & Kashmir Bank, Mumbai	29,099,646	60,969,075	74,198,238
iii	State Bank of India, Nagpur	30,730,904	89,498,214	108,898,218
iv	Bank of Baroda, Mumbai	18,571,578	35,075,906	42,757,738
v	Axis Bank, Nagpur	29,626,800	42,564,420	76,411,589
	Total (a)	172,308,303	320,882,053	414,872,112
b	<u>Other</u>			
vi	State Bank of India	529,360	562,833	421,762
	Total (b)	529,360	562,833	421,762
	Total (a+b) :	172,837,663	321,444,886	415,293,874

- 1** (Loans of Sr. No a (i) to (v) of Note 14 are secured by :
1. Primary : First pari passu charge on the entire Fixed Assets of the Company both present & future.
 2. Collateral : Second pari passu charge on entire current assets of the company and First pari passu charge by way of equitable mortgage of Land and Plant & Machinery of Solar Carbon Pvt Ltd.
 3. Guarantee : Personal guarantee of Directors Shri Punamchand Malu & Shri Banwarilal Malu and corporate guarantee of Solar Carbons Pvt Ltd.)
 4. Pledge of Promoters Shareholding to the extent of 51% of the paid up capital of the Company.
- 2** (Loans of Sr. No a (vi) of Note 14 are secured by hypothecation of vehicle of company.
- 3** Since financial year 2011-12, Loans of Sr. No. a (i) to (v) of Note 14 are restructured under the Corporate Debts Restructure (CDR) mechanism.
- 4** There is no default in repayment of principal loan or interest thereon.

DETAILS OF RATE OF INTEREST & TERMS OF REPAYMENT OF TERM LOANS

REPAYMENT SCHEDULE OF TERM LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 18-19	Terms of Payment - 4 Quaterly Instalment in FY 18-19	Rate of Interest in FY 18-19
Bank of India, Mumbai	42,024,848	18,487,200	4,621,800	18.75%
Bank of India, Mumbai	16,754,526	6,220,000	1,555,000	11.50%
Bank of India, Mumbai	5,500,000	2,750,000	687,500	14.00%
Jammu & Kashmir Bank, Mumbai	24,609,072	15,995,224	3,998,806	18.75%
Jammu & Kashmir Bank, Mumbai	4,490,574	2,566,668	641,667	14.00%
State Bank of India, Nagpur	24,075	-	-	21.25%
State Bank of India, Nagpur	25,453,952	8,955,000	2,238,750	11.50%
State Bank of India, Nagpur	5,252,877	2,800,000	700,000	14.00%
Bank of Baroda, Mumbai	18,571,578	11,504,328	2,876,082	18.75%
Axis Bank, Nagpur	27,726,800	10,144,000	2,536,000	11.50%
Axis Bank, Nagpur	1,900,000	1,000,000	250,000	14.00%
Total (i) :	172,308,303	80,422,420	20,105,605	

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REPAYMENT SCHEDULE OF VEHICLE LOANS		Repayable after 1 year from the date of Balance Sheet	Repayment in FY 18-19	Terms of Payment - Monthly Instalment	Rate of Interest
State Bank of India		529,360	218,844	18,237	9.75%
Total (ii) :		529,360	218,844	18,237	
Total (I + ii) :		172,837,663	80,641,264	20,123,842	
b	Deffered Sales Tax (Unsecured Loan)		93,582,033		98,668,649
					95,227,191
Total :			93,582,033		98,668,649
					95,227,191

Note: Measured at Amortised Cost.

DETAILS OF RATE OF INTEREST & TERMS OF REPAYMENT OF DEFFERED SALES TAX

REPAYMENT SCHEDULE	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 18-19	Terms of Payment-	Rate of interest
Deffered Sales Tax	93,582,033	5,086,614	1st may annually	Based on the schedule of Early Repayment option provided by the government.

The company had received interest free Sales Tax Deferral of under the Package Schemene of Incentive scheme of the government, which is outstanding to the extent of Rs.15,25,12,990 Under Ind AS, at the date of transition, the company recognised the said financial liability at fair value with the differential to be spread over the tenure of the deferral.

NOTE : 16 Long Term Provisions

Post Employment Employee Benefits

Provision for Defined Benefit Obligation- Gratuity

	6,899,606	5,299,373	3,933,383
Total :	6,899,606	5,299,373	3,933,383

NOTE : 17 SHORT TERM BORROWINGS

Secured

a Loans repayable on demand Working Capital Limit from

i	Axis Bank Ltd; Nagpur	61,346,285	61,287,762	54,218,748
ii	State Bank of India, Nagpur	61,460,872	61,224,225	58,449,025
iii	Bank of India, Mumbai	61,494,420	56,673,798	58,895,258
iv	Jammu & Kashmir Bank, Mumbai	30,743,028	30,662,025	29,368,185
v	Bank of Baroda, Mumbai	30,690,746	30,751,171	29,550,759

Sub Total (a) :	245,735,350	240,598,980	230,481,976
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(Loans of Sr. No a (i) to (v) of Note 16 are secured by :

1. Primary : First pari passu charge on the entire Current Assets of the Company both present & future.
2. Collateral : Second pari passu charge on entire Fixed assets of the company and second pari passu charge by way of equitable mortgage of Land and Plant & Machinery of Solar Carbon Pvt Ltd.
3. Guarantee : Personal guarantee of Directors Shri Punamchand Malu & Shri Banwarilal Malu and corporate guarantee of Solar Carbons Pvt Ltd.)
4. Pledge of Promoters Shareholding to the extent of 51% of the paid up capital of the Company.

b UNSECURED LOANS

(a) Loans and advances from related parties	38,950,000	41,900,000	43,600,000
(b) Loans and advances from Inter Corporate	371,775,000	322,650,000	301,200,000
(c) Others	-	-	15,000,000
Sub Total (b) :	410,725,000	364,550,000	359,800,000
Total (a + b) :	656,460,350	605,148,980	590,281,976

NOTE : 18 TRADE PAYABLE

a Creditors for goods and services	323,844,428	170,014,999	153,943,775
Total :	323,844,428	170,014,999	153,943,775

- b** The information required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 is not available with the Company.

NOTE : 19 OTHER FINANCIAL LIABILITIES

a Current Maturities: Long Term Debt	80,641,264	69,851,828	74,246,959
b Deffered Sales Tax (As per Note 15 above)	5,086,614	708,321	-
c Duties & Taxes	3,133,967	2,372,137	1,996,333
d Other Payables	1,135,000	1,012,500	722,500
Total :	89,996,845	73,944,786	76,965,792

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NOTE : 20 REVENUE FROM OPERATION

A Sale of products; Manufacturing Goods

1 Kraft Paper

Domestic	1,485,954,304		1,195,897,707	
Export	12,040,589		1,597,253	
Sales Tax/GST	<u>(141,268,607)</u>	1,356,726,285	<u>(54,052,171)</u>	1,143,442,789

2 Newsprint & Writing Printing Paper

Domestic	1,352,896,101		1,304,147,032	
Export	167,117,167		74,734,871	
Sales Tax/GST	<u>(64,085,005)</u>	1,455,928,263	<u>(28,191,653)</u>	1,350,690,250

Sub-Total : **2,812,654,549** **2,494,133,039**

B Other Operating Income

1 Duty Draw Back - Export		1,553,926		474,484
2 Carbon Credit Sale		6,459,091		10,792,800

Sub-Total : **8,013,017** **11,267,284**

TOTAL **2,820,667,565** **2,505,400,323**

Note: All the sales are made to external parties only.

NOTE : 21 OTHER INCOME

Interest on FDR	1,404,909	1,649,243
Interest on Security Deposit	60,521	814,244
Gain on Sale of Fixed Assets	-	261,861
Deffered Sales tax Incentive Packages (As per Ind AS 20)	10,097,939	10,017,153

Total : **11,563,369** **12,742,500**

NOTE : 22 COST OF MATERIALS CONSUMED

Details of Raw Material Consumed

Raw Material at the beginning of the year	107,980,000	78,521,100
Add: Purchases	<u>1,915,678,883</u>	<u>1,519,482,337</u>
Total :	2,023,658,883	1,598,003,437
Less: Raw Material at the end of the year	194,126,400	107,980,000

Cost of Raw Material consumed **1,829,532,483** **1,490,023,437**

Item wise details of Raw Material Consumed

Waste Paper - Indian - Kraft	760,611,359	560,301,317
Waste Paper - Imported - Kraft	97,538,234	87,994,285
Chemical - Kraft	83,649,369	88,951,457
Waste Paper - Indian - Newsprint	737,022,244	700,507,692
Waste Paper - Imported - Newsprint	63,520,390	830,833
Chemical - Newsprint	<u>92,167,816</u>	<u>51,437,853</u>
Total	1,834,509,412	1,490,023,437

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<u>Details of Consumable Stores Consumed</u>			
Consumable Stores at the beginning of the year	67,100,850		65,284,750
Add: Purchases	55,347,096		37,133,007
Total :	122,447,946		102,417,757
Less: Consumable Stores at the end of the year	72,323,200		67,100,850
Cost of Consumable Stores consumed	50,124,746		35,316,907
Total :	1,879,657,229		1,525,340,343
<u>NOTE : 23 Excise duty on sale of goods</u>			
Excise duty on sale of goods	29,273,764		78,956,980
<u>NOTE : 24 Details of changes in Inventory</u>			
<u>Inventory at the end of the year</u>			
Particulars			
Stock in Process	5,225,000		4,700,000
Finished Goods	17,498,900		27,433,900
Total :	22,723,900		32,133,900
<u>Inventory at the beginning of the year</u>			
Particulars			
Stock in Process	4,700,000		4,475,000
Finished Goods	27,433,900		10,095,600
<u>Increase/Decrease in Inventory</u>			
Particulars			
Stock in Process	(525,000)		(225,000)
Finished Goods	9,935,000		(17,338,300)
Total :	9,410,000		(17,563,300)
<u>NOTE : 25 EMPLOYEE BENEFITS</u>			
Salary & Allowances	71,758,882		67,007,243
Providend Fund	3,898,037		5,115,530
Esic	1,636,850		397,669
Staff Welfare Expenses	1,223,033		1,209,989
Expenses on Defined Benefit Obligation:			
Current Service Cost	1,185,292	1,058,007	
Finance Cost on Gratuity Fund	414,941	307,984	1,365,990
Total :	80,117,035		75,096,421

MALU PAPER MILLS LTD; NAGPUR

NOTE : 26 OTHER EXPENSES

Power & Fuel	387,141,818	407,490,632
Packing Material	35,023,983	31,871,264
Freight Inward	74,878,811	45,727,907
Contractor Payment	21,679,641	18,808,819
Clearing & Forwarding	1,227,364	1,566,721
Custom Duty	2,485,383	1,321,611
Water Charges	2,005,518	1,897,894
Repairs & Maintenance		
Building	3,015,820	3,551,077
Plant & Machinery	32,202,743	54,887,718
Advertisement	51,525	88,656
Annual Listing Fees	540,000	520,000
Audit Fees	354,000	345,000
Consultancy Charges	5,353,894	3,946,261
Conveyance Charges & Vehicle Maintenance	650,342	774,581
Computer Maintenance	98,046	-
Donation	101,200	51,000
EPCG Licence Renewal Fees	-	2,855,000
Insurance Charges	865,078	1,028,981
Internal Audit Fees	350,000	130,435
Workman Compensation	300,000	-
Labour Welfare Fund	12,431	29,639
Office & Misc. Expenses	523,321	1,369,445
Professional Tax	4,425	5,000
Periodicals & Subscription	168,240	77,826
Postage	323,452	145,036
Printing & Stationery	590,475	435,614
Rent, Rates & Taxes	1,416,771	911,950
ROC Fees Expenses	12,000	7,800
Security Expenses	2,241,875	2,420,373
Selling & Distribution Expenses	34,903,154	24,567,791
Carriage Outward	33,369,070	13,254,826
Sitting Fess Expenses	34,000	34,000
Interest and Late Fees	6,000	2,000
Telephone Expenses	617,603	657,350
Travelling Expenses	652,833	675,876
Total :	643,200,818	621,458,085

NOTE : 27 FINANCE COSTS

Bank Charges	6,022,700	6,826,595
Interest to Bank	71,762,667	98,124,838
Interest on Unsecured Loan	32,166,550	30,049,016
Interest on Deferred Sales Tax Liability	10,097,939	10,017,153
Total :	120,049,855	145,017,601

MALU PAPER MILLS LTD; NAGPUR

NOTE : 28 DISCLOSURE OF RELATED PARTY TRANSACTIONS :

List of related parties with whom transactions have taken place during the year

a Associate Concerns

Malu Electrodes Pvt. Ltd.
Narayan Traders
Frontline Commercials Pvt Ltd
Narayan Coal Traders Pvt Ltd
Neelkamal Financial Services Pvt Ltd
Solar Carbons Pvt Ltd
Wistaria Farms Pvt Ltd
Malu Infrastructure Pvt Ltd

b Key Management Persons

Poonamchand Malu
Banwarilal Malu

c Transactions with Related Party

Associate Company

Malu Electrodes Pvt. Ltd.

Purchases during the year	153,002	198,480
Finance Taken	29,700,000	10,000,000
Interest on Loan	17,000,000	10,000,000

Narayan Traders

Purchases during the year	87,539	1,386,370
---------------------------	--------	-----------

Frontline Commercials Pvt Ltd

Finance Taken	25,000	-
Finance Paid	-	10,400
Interest on Loan	750,000	456,000

Narayan Coal Traders Pvt Ltd

Finance Paid	70,000	24,000
Interest on Loan	300,000	360,000

Neelkamal Financial Services Pvt Ltd

Finance Paid	36,000	174,000
Interest on Loan	2,040,000	1,860,000

Solar Carbons Pvt Ltd

Finance Paid	25,000	46,400
Interest on Loan	1,250,000	1,496,000

Wistaria Farms Pvt Ltd

Finance Taken	3,700	-
Finance Paid	-	15,200
Interest on Loan	107,000	128,000

Malu Infrastructure Pvt Ltd

Finance Taken	-	-
Finance Paid	562,500	3,084,000
Interest on Loan	875,000	934,000

MALU PAPER MILLS LTD; NAGPUR

<u>Relatives of Key Management Persons</u>		
Poonamchand Malu		
Banwarilal Malu		
<u>Amount Payable as on reporting Date</u>		
Banwarilal Malu (HUF)		
Banwarilal Malu		
Kaveri Malu		
Manisha Malu		
Shashi Malu		
Vasudeo Malu		
Banwarilal Malu (HUF)		
Banwarilal Malu		
Frontline Commercials Pvt Ltd		
Kaveri Malu		
Malu Electrodes Pvt. Ltd.		
Manisha Malu		
Narayan Coal Traders Pvt Ltd		
Neelkamal Financial Services Pvt Ltd		
Shashi Malu		
Solar Carbons Pvt Ltd		
Vasudeo Malu		
Wistaria Farms Pvt Ltd		
Malu Infrastructure Pvt Ltd		
<u>NOTE : 29 PAYMENT TO AUDITORS IN OTHER EXPENSES (NOTE 25) CONSISTS OF:</u>		
Statutory Audit Fees		
GST/Service Tax on above		
Total		
<u>NOTE : 30 SEGMENT INFORMATION :</u>		
The Company operates in only one main segment i.e. manufacturing of paper. Since the company has only one reportable business segment and geographical segment, no further disclosure is required as per the Indian Accounting Standard 108-Operating Segment.		
<u>NOTE : 31 EARNING PER SHARE (EPS)</u>		
EPS is calculated by dividing the earning available for equity shareholders or loss attributable to equity shareholders by the weighted average number of equity shares outstanding the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below :		
Profit (Loss) after tax		
Weighted Number of Shares - Basic		
EPS		
Basic/Diluted Earning Per Share		
Face value per share		

MALU PAPER MILLS LTD; NAGPUR

NOTE : 32 ADDITIONAL INFORMATION

a	Value of imports calculated on C.I.F basis by the company during the financial year in respect of –		
I	i. Raw materials;	156,286,224	99,250,922
	ii. Components & Spare Parts	10,918,585	15,995,637
	iii. Capital Goods	11,091,501	-
	iv. Purchase of Trading Goods:-	-	-
b (i)	Total value of all imported raw materials, spare parts and components consumed during the financial year.	171977210 (09%)	104820755 (07%)
b (ii)	Total value of all indigenous raw materials, spare parts and components similarly consumed	1712656949 (91%)	1420519588 (93%)
b (iii)	Total consumption	1884634158 (100%)	1525340343 (100%)
c	Earnings in foreign exchange classified under the following heads,		
	I. Export of goods calculated on F.O.B. basis;	185,525,078	76,332,124

NOTE : 33 CONTINGENT LIABILITIES :

Bank Guarantee Outstanding	26,338,607	25,339,966
Letter of Credit	63,430,519	74,297,492
Bonds Executed in Favour of Government Authorities in respect of EPCG Licence towards duty saved against which Export obligation has to be made.	61,401,000	61,401,000

NOTE : 34 Key Assumptions in Calculating Provision for Defined Benefit Obligation:

Discount Rates (%)	7.83%	7.83%
Effective Rate of Salary Escalation (%)	5%	5%
Retirement Age (Years)	58	58
Days Of Salary for Gratuity:	15	15

NOTE : 35 Financial Instrument-Accounting Classifications and fair value Measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- 1 Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2 Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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Particulars	Fair Value		
	3/31/2018	3/31/2017	4/1/2016
Financial Assets			
Financial Assets (Level 1)	-	-	-
Financial Assets at amorticed cost :- (LEVEL 2)			
Bank Deposits	20,975,913	20,686,423	21,306,746
Trade Receivables	278,583,436	234,677,399	228,558,406
Cash and Bank Balances	553,875	796,050	2,584,537
TOTAL	300,113,224	256,159,871	252,449,689
Financial Assets at Fair Value through Other Comprehensive Income :- (LEVEL 3)			
Investment in Equity shares of Ganga Care Hospital Ltd	1,100,000	1,100,000	1,100,000
TOTAL	1,100,000	1,100,000	1,100,000
Financial Liabilities			
Financial Liabilities (Level 1)	-	-	-
Financial Liabilities at amorticed cost :- (LEVEL 2)			
Term Loans	266,419,696	420,113,535	510,521,065
Unsecured Loans	93,582,033	98,668,649	95,227,191
Long term borrowings	245,735,350	240,598,980	230,481,976
Trade Payable	323,844,428	170,014,999	153,943,775
Other Financial Liabilities	89,996,845	73,944,786	76,965,792
TOTAL	1,019,578,352	1,003,340,948	1,067,139,798
Financial Liabilities at amorticed cost :- (LEVEL 3)			
Short Term Borrowings	410,725,000	364,550,000	359,800,000
TOTAL	410,725,000	364,550,000	359,800,000

NOTE : 36 Financial Risk Management Objectives and Policies :-

The Company's financial risk management is an integral part of how to plan and execute its business strategies :-

a) Market Risk :-

Market risk is the risk of loss of future earnings, or future cash flows arising out of changes in Market Conditions of Paper Industry, which include changes in prices of Raw Material (indigenously procured as well as import) .

The company manages market risk through evaluation and identification of risk factors with the object of governing/mitigating them according to Company's objectives and declared policies in specific context of impact thereof on operating performance of the company. The Board provides oversight and reviews the Risk management policy on regular basis.

b) Interest Rate Risk :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is not exposed to signifi cant interest rate risk as at the respective reporting dates.

MALU PAPER MILLS LTD; NAGPUR

c) Foreign currency risk :-

The Company operates internationally with transactions entered into several currencies. Still the Company is not exposed to foreign exchange risk as there are no financial instruments to be settled in foreign currency.

d) Credit Risk :-

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Particulars	3/31/2018	3/31/2017
Balance at the beginning of the year	2,037,458	-
Additional Provided	-	2,037,458
Reversed	504,156	-
Written Off	893,220	-
Balance at the end of the year	-	2,037,458

e) Liquidity Risk:-

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. As per regular reviews by management the company is not facing any liquidity risk.

NOTE : 37	(a) Amounts recognised in profit and loss		(Amounts in Rs.)		(Amounts in Rs.)
			For the year ended March 31, 2018		For the year ended March 31, 2017
	A. Current income tax		-		-
	B. Opening Balance Deferred income tax liability / (asset), net		(90,948,479)		(103,895,279)
	C. Origination and reversal of temporary differences		22,594,876		41,899,029
	D. Deferred tax expense		6,981,817		12,946,800
	E. Closing Balance Deferred income tax liability/(asset), net (B+D)		(83,966,662)		(90,948,479)
	F. Tax expense/(income) for the year (A+D)		6,981,817		12,946,800

(b) Reconciliation of effective tax rate			(Amounts in Rs.)
		For the year ended 31/03/2018	For the year ended 31/03/2017
Particular			
Profit before tax		22,487,676	41,846,029
Tax using the Company's domestic tax rate @ 30.9%		6,948,692	12,930,423
Tax effect of:			
Tax on Expenses not deductible for tax purposes		33,125.00	16,377.00
F. Tax expense/(income) for the year (A+D)		6,981,817	12,946,800

MALU PAPER MILLS LTD; NAGPUR

NOTE : 38 OTHERS :

- a** Balances in various personal accounts remain unverified since confirmations from the parties are awaited.
- b** The current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provision for depreciation and
- c** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Malu Paper Mills Limited.

**As per our Report of even date,
For R.A.Kuvadia & Co.
Chartered Accountants**

Punamchand Malu Banwarilal Malu Girish Malpani
(Managing Director) (Jt.Managing Director) (CFO)
(Din 00301030) (Din 00301297)
Place : Nagpur
Date : 29-05-2018

R.A.Kuvadia
Proprietor
M.No. 040087
FRN : 105487W

MALU PAPER MILLS LTD; NAGPUR

Note 39(a) Effect of Ind AS adoption on the Balance Sheet as at 31 March 2016

PARTICULARS	Notes	IGAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		889,855,750	-	889,855,750
Capital work in progress			-	-
Financial Assets:			-	
i. Investments		1,100,000	-	1,100,000
ii. Other		4,962,898	-	4,962,898
Other non-current Assets		58,839,903	-	58,839,903
Deffered Tax Asset (Net)		103,867,000	28,279	103,895,279
Total non-current assets		1,058,625,551	-	1,058,653,830
Current Assets				
Inventories		181,364,250	-	181,364,250
Financial Assets:				
i. Trade Receivables		228,558,406	-	228,558,406
ii. Cash and Cash Equivalents		2,584,537	-	2,584,537
iii. Bank balances other than Cash & Cash Equivalent		16,343,848	-	16,343,848
iv. Loans		-	-	-
Other current assets		67,569,587	-	67,569,587
Total Current Assets		496,420,628		496,420,628
Total Assets		1,555,046,179	28,279	1,555,074,458
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		170,592,500	-	170,592,500
Other Equity	1	(22,632,315)	71,468,282	48,835,967
Total Equity		147,960,185	71,468,282	219,428,467
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings		581,755,910	(71,234,845)	510,521,065
Provisions	2	4,138,541	(205,158)	3,933,383
Total Non-Current liabilities		585,894,451	(71,440,003)	514,454,448
Current Liabilities				
Financial Liabilities				
i. Borrowings		590,281,976	-	590,281,976
ii. Trade Payables		153,943,775	-	153,943,775
iii. Other Financial Liabilities		76,965,792	-	76,965,792
Total Current Liabilities		821,191,543	-	821,191,542
Total Liabilities		1,407,085,994	(71,440,003)	1,335,645,990
Total Equity and Liabilities		1,555,046,179	28,279	1,555,074,458

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

MALU PAPER MILLS LTD; NAGPUR

Note 39(b) Effect of Ind AS adoption on the Balance Sheet as at 31 March 2017

PARTICULARS	Notes	IGAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		843,573,748	-	843,573,748
Capital work in progress			-	
Financial Assets:				
i. Investments		1,100,000	-	1,100,000
ii. Other		5,101,706	-	5,101,706
Other non-current Assets		47,354,583	-	47,354,583
Deffered Tax Asset (Net)		90,617,000	331,479	90,948,479
			-	
Total non-current assets		987,747,037	331,479	988,078,516
Current Assets				
Inventories		228,776,550	-	228,776,550
Financial Assets:				
i. Trade Receivables		234,677,398	-	234,677,399
ii. Cash and Cash Equivalents		796,050	-	796,050
iii. Bank balances other than Cash & Cash Equivalent		15,584,717	-	15,584,717
iv. Other Financial Assets		1,617,229	-	18,719,415
Other current assets		46,026,346	-	28,924,160
Total Current Assets		527,478,290	-	527,478,290
Total Assets		1,515,225,327	331,479	1,515,556,806
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		170,592,500	-	170,592,500
Other Equity	1	6,684,995	63,757,638	70,442,633
Total Equity		177,277,495	63,757,638	241,035,133
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings		473,957,876	(53,844,341)	420,113,535
Provisions		4,783,250	516,123	5,299,373
Total Non-Current liabilities		478,741,126	(53,328,218)	425,412,908
			-	
Current Liabilities				
Financial Liabilities				
i. Borrowings		605,148,980	-	605,148,980
ii. Trade Payables		170,015,000	-	170,014,999
iii. Other Financial Liabilities		84,042,726	(10,097,940)	73,944,786
Total Current Liabilities		859,206,706	-	849,108,765
Total Liabilities		1,337,947,832	(63,426,159)	1,274,521,673
Total Equity and Liabilities		1,515,225,327	331,479	1,515,556,806

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

MALU PAPER MILLS LTD; NAGPUR

Reserves Reconciliation

Reserves and Surplus	As at March 31, 2017	As at April 1, 2016
As per IGAAP	6,684,995	(22,632,315)
Deffered Government Grant Recognised	63,942,281	71,234,845
Changes in provision for Gratuity	(516,122.93)	205,158
Difference in Differed Tax	331,480.19	28,279.07
As per INDAS	70,442,633	48,835,967

MALU PAPER MILLS LTD; NAGPUR

Note 40 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st march 2017

Particulars	Note	IGAAP	Adjustments	INDAS
CONTINUING OPERATIONS				
Revenue from Operations	1	2,520,675,263	(15,274,940)	2,505,400,323
Other Income	2	13,992,632	(1,250,131)	12,742,500
Total Income		2,534,667,895	(16,525,071)	2,518,142,824
Expenses				
Cost of Material Consumed		1,525,340,343	-	1,525,340,343
Excise duty on sale of goods	1	-	78,956,980	78,956,980
Changes in Inventories of Work in progress and Finished Goods		(17,563,300)	-	(17,563,300)
Employee benefit expenses	3	74,375,141	721,280	75,096,421
Depreciation and Amortization expense		47,990,664	-	47,990,664
Other expenses	4	726,957,289	(105,499,204)	621,458,085
Finance Costs	5	135,000,449	10,017,153	145,017,601
Total Expenses		2,492,100,586		2,476,296,795
Profit before exceptional items and tax		42,567,309	(721,280)	41,846,029
Exceptional items				-
Profit before tax		42,567,309		41,846,029
Income Tax expenses				-
Current Tax				-
Mat Credit Entitlement				-
Deferred Tax	6	13,250,000	(303,200)	12,946,800
Income Tax for prior period				-
Total tax expenses		13,250,000	(303,200)	12,946,800
Profit/(loss) for the period from continuing operations		29,317,309	(418,080)	28,899,229
Other Comprehensive Income				
Items that may be classified to Profit or Loss				-
Items that will not be reclassified to Profit or Loss				-
Remeasurement of employees benefit obligations				-
Income tax relating to items that will not be reclassified to Profit or Loss				-
Other Comprehensive Income for the period (net of tax)				-
Total Comprehensive Income for the year		29,317,309	(418,080)	28,899,229
Earning Per Equity Share for profit from Continuing Operations				
Basic Earning per share (In Rs.)		1.72	(0.02)	1.69
Diluted Earning per share (In Rs.)		1.72	(0.02)	1.69

*Previous GAAP figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division II of Schedule III to the Companies Act, 2013.

MALU PAPER MILLS LTD; NAGPUR

Note: Profit Reconciliation 31/03/2017		
Note No	Particulars	Amount
1	Revenue from Operations have been shown inclusive of Excise Duty & Other operating revenue and exclusive of Sales Tax & Discount directly attributable to sales, in compliance with INDAS 18	
	Effect Of Excise Duty	78,956,980
	Effect Of Sales Tax	(82,243,824)
	Other Operating Revenue	11,267,284
	Discount & Rebate	(23,255,380)
	Total	(15,274,940)
2	Other Income includes figure Government Grant recognised, in compliance with INDAS 20.	
	Government Grant Recognised	10,017,153
	Other Operating Revenue excluded, covered in "2" above	11,267,284
	Total	(1,250,131)
3	Change is provision for Gratuity, in compliance with IND AS 19.	721,280
4	Other Expenses exclude the figures Covered in "1" above,in compliance with INDAS 18	(105,499,204)
5	Finance Cost Includes Interest on Deffered sales Tax Liability in compliance with INDAS 20 and INDAS 109.	10,017,153
6	Change in Deferred Tax due to Change in Provision For Gratuity,in compliance with Ind AS 19.	(303,200)



MALU PAPER MILLS LIMITED

Regd. Office:- Heera Plaza, 4th Floor, Near Telephone Exchange,
Central Avenue, Nagpur – 440 008.
CIN:L15142MH1994PLC076009

PROXY FORM

ANNUAL GENERAL MEETING 2017-18

Folio No. _____ DPID: _____ Client ID: _____

I/ We _____ of _____ in the District of _____ being a member / members of the above named company, hereby appoint Mr./Mrs/Kum _____ as my /our proxy to attend and vote for me/us on my/our behalf at the Twenty-fifth Annual General Meeting of the Company to be held at **Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 440 008** on Friday, the 21st day of September, 2018 at 3.00 PM and at any adjournment thereof.

Date: _____

Address: _____

Affix Re.1
Revenue
Stamp

Signature: _____

Note: The proxy form duly completed must be deposited at Registered Office not less than 48 hours before the time for commencement of the meeting. A proxy need not be a member.

Road Map of Venue of AGM

