



**Shree Rajeshwaranand Paper Mills Limited**  
**MANUFACTURERS OF NEWS PRINT, WRITING & PRINTING PAPER**

[CIN: L21093GJ1991PLC057244]

Registered Office: Bharuch - Jhagadia Road, Village-Govali, Dist.: Bharuch, Gujarat - 393001

Phone: (02645) 227705 / 6 / 7 / 8 Fax: 91 2645 227709 Mail: s\_rajeshwaranand@hotmail.com

19<sup>th</sup> August, 2019

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**Company Code No. 537536**

Dear Sirs;

**Sub: Submission of Notice of 28<sup>th</sup> Annual General Meeting and Annual Report 2018-19**

Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

1. Notice of 28<sup>th</sup> Annual General Meeting of the members of the Company.
2. Annual Report 2018-19.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

for **SHREE RAJESHWARANAND PAPER MILLS LIMITED,**

*Kinjal*

**KINJAL K. SHETH**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**



Encl: As above.

**28<sup>th</sup> ANNUAL REPORT  
2018-19**



**Shree Rajeshwaranand Paper  
Mills Limited**

[CIN: L21093GJ1991PLC057244]



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## SHREE RAJESHWARANAND PAPER MILLS LIMITED

[CIN: L21093GJ1991PLC057244]

### 28<sup>TH</sup> ANNUAL REPORT 2018-19

<b>BOARD OF DIRECTORS</b>	:	Mr. Amrish R. Patel Mr. Prakash R. Vora Mr. Udayan D. Velvan Mr. Ashok Kumar V. Shah Ms. Anal R. Desai	Chairman Managing Director Executive Director Director Director
<b>KEY MANAGERIAL PERSONNEL</b>	:	Mr. Karunashankar Vora Ms. Kinjal Sheth	Chief Financial Officer Company Secretary
<b>BANKERS</b>	:	State Bank of India, Vadodara  Bank of India, Vadodara	
<b>STATUTORY AUDITORS (UPTO 2018-19)</b>	:	M/s. Kanak Rathod & Co., Chartered Accountants, Mumbai	
<b>STATUTORY AUDITORS (FROM 2019-20)</b>	:	M/s. Rakchamps & Co. LLP, Chartered Accountants, Mumbai	
<b>COST AUDITOR</b>	:	M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad	
<b>SECRETARIAL AUDITORS</b>	:	M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad	
<b>REGISTERED OFFICE &amp; FACTORY</b>	:	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia, Dist: Bharuch Gujarat – 393 001	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083	
<b>INTERNAL AUDITOR</b>	:	M/s. Atul N. Shah & Associates, Chartered Accountants, Surat	
<b>WEBSITE</b>	:	<a href="http://www.rajeshwaranandpaper.com">www.rajeshwaranandpaper.com</a>	

**NOTICE**

NOTICE is hereby given that the **28<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of **SHREE RAJESHWARANAND PAPER MILLS LIMITED** will be held as scheduled below:

Date : 21<sup>st</sup> September, 2019  
Day : Saturday  
Time : 1.00 p.m.  
Place : At the Registered Office of the Company at:  
Village: Govali, Bharuch – Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch  
Gujarat – 393 001

to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Udayan D. Velvan (DIN-01876652), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, M/s. Rakchamps & Co. LLP, Chartered Accountants (Firm Registration No. 131094W), be and are hereby appointed as Auditors of the Company (upon resignation of existing Statutory Auditors M/s. Kanak Rathod & Co., Chartered Accountants, Mumbai for their remaining term of 3 years from 2019-20 to 2021-22) to hold office for 5 years from the conclusion of this 28<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 33<sup>rd</sup> AGM of the Company to be held in the year 2024, at such remuneration as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

4. 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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 100346), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2019-20, be paid a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary to give effect to this resolution.”

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and

## **Shree Rajeshwaranand Paper Mills Limited**

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended from time to time, Mr. Amrish R. Patel (DIN: 00214477), whose term as an Independent Director of the Company expires on the conclusion of this 28<sup>th</sup> Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 28<sup>th</sup> Annual General Meeting up to the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation."

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

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended from time to time, Mr. Ashok Kumar V. Shah (DIN: 00861424), whose term as an Independent Director of the Company expires on the conclusion of this 28<sup>th</sup> Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 28<sup>th</sup> Annual General Meeting up to the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2024 and he will not be liable to retire by rotation."

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

**Registered Office:**

Village: Govali,  
Bharuch – Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch  
Gujarat – 393 001  
Date: 26<sup>th</sup> July, 2019

By Order of the Board,

**Kinjal Sheth**  
**Company Secretary & Compliance Officer**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **14<sup>th</sup> September, 2019 to 21<sup>st</sup> September, 2019** (both days inclusive) for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
6. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
8. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
10. This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1<sup>st</sup> April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

## Shree Rajeshwaranand Paper Mills Limited

12. Members/Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting. Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
13. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
14. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2018-19 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's Website, [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com) and that of Central Depository Services (India) Limited ("CDSL"), [www.evotingindia.com](http://www.evotingindia.com).
16. Members and proxies thereof are requested to bring their Folio No./DP Id-Client Id for identification.

### 17. VOTING THROUGH ELECTRONIC MEANS:

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. 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') is provided by Central Depository Services (India) Limited.
- (b) 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. **E-voting facility will not be made available at the AGM venue.**
- (c) 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.
- (d) The remote e-voting period commences **at 9.00 a.m. on Wednesday, 18<sup>th</sup> September, 2019 and ends at 5:00 p.m. on Friday, 20<sup>th</sup> September, 2019**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 14<sup>th</sup> September, 2019**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

#### The procedure and instructions for remote e-voting are, as follows:

- (i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Now click on "Shareholders" to cast your votes.
- (iii) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Address Slip/ email pertaining to the notice of this Annual General Meeting.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on Electronic Voting Sequence Number (EVSN) of SHREE RAJESHWARANAND PAPER MILLS LIMITED.
- (xii) On the voting page, you will see 'Resolution Description' and against the same, the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- (xvii) Shareholders can also use Mobile app - "m - Voting" for e voting . m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) Note for Non – Individual Members and Custodians:
- ◆ Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

## Shree Rajeshwaranand Paper Mills Limited

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- ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ◆ After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - ◆ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) 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. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than two days from the conclusion of meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL- [www.evotingindia.com](http://www.evotingindia.com), [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

### ANNEXURE TO THE NOTICE

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING DATED 18<sup>TH</sup> JULY, 2019.**

##### **In respect of Item No. 3:**

M/s. Kanak Rathod & Co., Chartered Accountants, Mumbai have resigned from the office of Statutory Auditors of the Company due to unavoidable circumstances, resulting into casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013. Any casual vacancy caused by resignation in the office of the Statutory Auditors could be filled up by the Company in General Meeting as per recommendations made by the Board of Directors in this regard.

The Board of Directors in their meeting held on 18<sup>th</sup> July, 2019 has recommended appointment of M/s. Rakchamps & Co. LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company to fill the casual vacancy to hold office for 5 years from 2019-20 to 2023-24.

M/s. Rakchamps & Co. LLP, Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act.

None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the above said resolution.

**In respect of Item No. 4:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, appointed M/s. V. H. Savaliya & Associates, Cost Accountants, as Cost Auditors for the financial year 2019-20.

As per Section 148 of Companies Act, 2013 and applicable rules there under, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditors as fair and recommends the resolution contained in item no. 3 of the notice for approval of the members.

The Board recommends the resolution for your approval as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or any relatives of such Director or KMPs is in any way concerned or interested or deemed to be concerned or interested, financially or otherwise, in the proposed resolution.

**In respect of Item No. 5 and 6:**

Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah were appointed as Independent Directors of the Company for a consecutive term of 5 years w.e.f. conclusion of 23<sup>rd</sup> Annual General Meeting held on 20<sup>th</sup> September, 2014 and they were not liable to retire by rotation. Their said appointment is due to expire at the conclusion of this 28<sup>th</sup> Annual General Meeting of the members of the Company.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company.

The Company has received a notice in writing from Member of the Company under section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah fulfill the conditions of their appointment as Independent Directors of the Company as per the applicable provisions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as Independent Director and are independent of the management of the Company.

Details of Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for re-appointment of Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah as Independent Directors of the Company for a further consecutive second term of five years (viz. from the conclusion of this 28<sup>th</sup> Annual General Meeting up to the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2024), on the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company as well as fulfilling the criteria of their independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1) (b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said resolutions at item Nos. 5 and 6 are being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of Special Resolutions.

The Board recommends the resolution for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or any relatives of such Director or KMPs except Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah are in any way concerned or interested or deemed to be concerned or interested, in the resolutions mentioned at Item Nos. 5 and 6 of the Notice.

**Registered Office:**

Village: Govali,  
Bharuch – Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch  
Gujarat – 393 001  
Date: 26<sup>th</sup> July, 2019

By Order of the Board,

**Kinjal Sheth**  
**Company Secretary & Compliance Officer**

## Shree Rajeshwaranand Paper Mills Limited

### BRIEF PARTICULARS/PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:

Name of Directors	Mr. Udayan D. Velvan	Mr. Amrish R. Patel	Mr. Ashok Kumar V. Shah
Age (in years)	59	63	58
Date of Birth	31-07-1959	09-05-1956	21-11-1960
Date of Appointment	01-01-2008	20-09-2014	20-09-2014
Qualifications	B. Com	B. Com, L.L.B.	B.Com,C.A.,C.S., DISA
Experience / Expertise	He has an experience of more than 35 years in the field of Management and Paper Industry	He has an experience of more than 30 years in the field of Management, Accounts and Finance	He is a CA as well as CS. He also holds a degree in Information System Audit issued by ICAI and has vast experience in the field of Taxation and Finance.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item nos. 2 , 5 and 6 of the Notice convening this Meeting read with explanatory statement thereto		
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)		
Shareholding in the Company	13,79,895 Equity Shares	NIL	NIL
Relationship with other Directors, Manager and other KMP of the Company	Not related to any Director/KMP		
Number of Meetings of the Board attended during the year	9	9	9
List of other Companies in which Directorships held	Prism Finance Limited	-	-
List of Private Limited Companies in which Directorships held	-	1. Kalika Buildcon Private Limited 2. Calica Construction and Impex Private Limited 3. Calica Eco-spaces Private Limited 4. Calica Buildwell Private Limited	-
Chairman/Member of the Committees of Directors of other Companies	1. Prism Finance Limited- Audit Committee 2. Prism Finance Limited- Stakeholders' Relationship Committee	-	-
Justification for choosing the appointee for appointment as Independent Directors	N.A.	On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company.	

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the 28<sup>TH</sup> ANNUAL REPORT together with the Audited Financial Statement for the Financial Year 2018-19 ended 31<sup>st</sup> March, 2019.

**1. FINANCIAL RESULTS:**

Particulars	(` in lakh)	
	2018-19	2017-18
Profit before Interest and Depreciation	1731.13	1646.51
Less: Interest	909.32	892.68
Profit before Depreciation	821.81	753.83
Less: Depreciation	695.85	688.13
Profit before Tax	125.96	65.70
Less: Provision for Taxes	95.03	116.76
Less : Prior period adjustments	13.24	28.32
Add : Adjustment for Deferred Tax Asset	90.28	87.71
Net Profit	107.32	8.33
Other Comprehensive Income	(2.35)	4.11
Total Comprehensive Income	105.62	12.44
Add: Balance Brought Forward	1719.75	1707.31
Balance carried to Balance Sheet	1825.37	1719.75

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2019 and date of this report.

**2. DIVIDEND:**

With a view to conserve the resources for the working capital requirement of the Company, the Board of Directors has not recommend any dividend on the Equity Shares for the year under review ended 31<sup>st</sup> March, 2019.

**3. REVIEW OF OPERATIONS:**

The Company achieved production of 33020 MT of Newsprint/Writing and Printing paper during the year under review compared to 29333 M.T. during 2017-18. The Company achieved sales of 32252 MT during the year under review compared to 30314 M.T. during 2017-18. The Company had to shut down its production facilities for 20 days for maintenance, boiler inspection etc.

The Company has earned Profit before Interest and Depreciation of Rs.1731.13 Lakh during the year under review compared to Rs. 1646.51 Lakh during 2017-18. After providing for Depreciation, Prior period adjustments and Taxation, the Net Profit for the year under review stood Rs. 107.97 Lakh compared to Rs. 8.33 Lakh during 2017-18.

**4. NEW PROJECTS:****4.1 NEWS PRINT DIVISION:**

The Company has spent substantial amount during the year under review for increasing the installed capacity to 130 M.T. per day as well as for providing facilities for better quality of production.

During this second phase of expansion, the Company has installed various machineries which will increase the production with improvement in quality of the product. The Company has also installed various other balancing equipments to increase the production.

### 4.2 TOOLS DIVISION:

The Company commenced production of Abrasive Tools, Core Drill, big size Core Pipe and Ceramic industry Sizing Wheel. The diversification is partly funded from Company's internal accruals and partly from the Financial Assistance from the Bankers of the Company. The necessary arrangements have also been made with the Bankers of the Company for Working Capital Finance.

### 5. FUTURE PLANS:

As informed earlier, the installed capacity to manufacture Newsprint/Writing & Printing Paper is increased to 130 M.T. per day. The Management is further planning to improve the better quality by further modernise/ modification the plant.

The expansion will be funded out of internal accruals and term loans from Banks and Financial Institution. The Company will be able to undertake good quality of Writing and Printing paper in addition to Newsprint with this substantial expansion production.

### 6. LISTING :

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2019-20.

### 7. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 1245.00 Lakh. As on 31<sup>st</sup> March, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor do sweat equity and none of the Directors of the Company hold any convertible instruments.

### 8. RESERVES:

The Company has not transferred any amount to General Reserve.

### 9. DIRECTORS:

9.1 Mr. Udayan D. Velvan retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.

9.2 Mr. Ashok Gosavi had resigned from the office of Director of the Company w.e.f. 26<sup>th</sup> July, 2018.

9.3 Based on the recommendations of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Amrish R. Patel and Mr. Ashok Kumar V. Shah as Independent Directors of the Company for a second consecutive term of 5 years from the conclusion of this 28<sup>th</sup> AGM up to the conclusion of the 33<sup>rd</sup> AGM respectively and they will not be liable to retire by rotation.

9.4 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

9.5 Brief profile of the Directors being appointed and re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for appointment/reappointment of Independent Directors are provided in the notice for the forthcoming AGM of the Company.

9.6 The Board of Directors duly met 9 times during the financial year under review.

#### 9.7 FORMAL ANNUAL EVALUATION:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

#### 9.8 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2019 being end of the financial year 2018-19 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 10. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

#### 11. MANAGERIAL REMUNERATION:

##### REMUNERATION OF DIRECTORS:

Sr. No.	Name of the Director & Designation	Remuneration for the year	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Prakash R. Vora - Managing Director	₹ 15,00,000	-	Higher responsibility and time involvement due to current expansion & modernisation	₹ 1,80,468/-	8.3:1	-
2.	Mr. Udayan D. Velvan - Executive Director	₹ 15,00,000	-		₹ 1,80,468/-	8.3:1	-

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy is available on the website of the Company - [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com)

#### 12. KEY MANAGERIAL PERSONNEL:

##### % INCREASE IN REMUNERATION OF DIRECTORS AND KMP:

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Prakash R. Vora	Managing Director	Nil
2.	Udayan D. Velvan	Executive Director	Nil
3.	Karunashankar G. Vora	CFO	17.06%
4.	Kinjal K. Sheth*	CS	N. A.

\*Appointed as Company Secretary & Compliance Officer of the Company w.e.f. 01-10-2018.

**13. PERSONNEL AND H. R. D.:**

**13.1 INDUSTRIAL RELATIONS:**

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

The Number of permanent Employees of the Company are 97. The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

**13.2 PARTICULARS OF EMPLOYEES:**

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

**14. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:**

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com)

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

**16. CORPORATE GOVERNANCE AND MDA:**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - B**.

**17. SECRETARIAL AUDIT REPORT:**

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – C**.

As regards the observation of the Auditors, the Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form pursuant to Point 12 of para II of Annexure to the SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20<sup>th</sup> April, 2018.

**18. EXTRACT OF ANNUAL RETURN:**

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – D**. The same is also available on the Company's website at [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com).

**19. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The details of various committees and their functions are part of Corporate Governance Report.

**20. GENERAL:****20.1. AUDITORS:****STATUTORY AUDITORS:**

The remarks of Auditors are self explanatory and have been explained in Notes on Accounts.

The present Auditors of the Company, M/s. Kanak Rathod & Co., Chartered Accountants; Mumbai have resigned as Statutory Auditors of the Company with effect from the financial year 2019-20.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors has recommended the appointment of M/s. Rakchamps & Co. LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the ensuing 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM on remuneration to be decided by the Board or Committee thereof.

The Company has obtained consent from M/s. Rakchamps & Co. LLP, Chartered Accountants, Mumbai to the effect that their appointment as Auditors of the Company for period of 5 years commencing from the Financial Year 2019-20 to 2023-24, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

**COST AUDITORS:**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s V. H. Savaliya & Associates, Cost Accountants, (Firm Registration No. 100346) as Cost Auditor to audit the cost accounts of the Company for the financial year 2018-19. As required under the Companies Act, 2013, a resolution seeking Shareholder's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

**20.2 INSURANCE:**

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc. as per the consistent policy of the Company.

**20.3 DEPOSITS:**

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

**20.4 RISKS MANAGEMENT POLICY:**

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

**20.5 SUBSIDIARIES/ ASSOCIATES/ JVs:**

The Company does not have any Subsidiaries/ Associate Companies / JVs.

**20.6 CODE OF CONDUCT:**

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

## **Shree Rajeshwaranand Paper Mills Limited**

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### **20.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

### **20.8 ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

### **20.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

### **20.10 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

### **20.11 SECRETARIAL STANDARDS:**

The Company complies with the Secretarial Standards issued by the Institute of Company Secretaries of India which are mandatorily applicable to the Company.

## **21. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

## **22. DEMATERIALISATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE617D01017.

## **23. FINANCE:**

23.1 The Company's Income-tax Assessment has been completed up to the Assessment Year 2016-17 and Sales tax Assessment is completed up to the Financial Year 2015-16.

23.2 The Company is enjoying Working Capital facilities from State Bank of India and Bank of India, Term Loan from Bank of India. The Company is regular in payment of interest and principal.

## **24. ACKNOWLEDGMENT:**

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co operation. Your Directors also place on record their grateful appreciation and co operation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.

For and on behalf of the Board,

Place : Jhagadia  
Date : 26<sup>th</sup> July, 2019

**Amrish R. Patel**  
**Chairman**

**Disclosure of particulars with respect to Conservation of Energy****A. CONSERVATION OF ENERGY-**

Steps taken or impact on conservation of energy	Energy Conservation is an active focus area since it is a major cost in the manufacturing process. The Company has taken several initiatives in line with policy of Conservation of natural resources by optimizing proper use of steam, coal etc.
Steps taken by the company for utilizing alternate sources of energy	-
Capital investment on energy conservation equipments	-

**B. TECHNOLOGY ABSORPTION :**

1. No research & development is carried out by the company.
2. No new technology is adopted or innovated.

	<u>2018-19</u>	<u>2017-18</u>
<b>C. FOREIGN EXCHANGE EARNINGS &amp; OUTGO:</b>		
1. Total Foreign exchange earnings (` in lakhs)	<b>4.43</b>	10.86
2. Total Foreign Exchange used (` in lakhs)	<b>1203.16</b>	459.77

For and on behalf of the Board,

Place : Jhagadia  
Date : 26<sup>th</sup> July, 2019

**Amrish R. Patel**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

## INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 and also up to the date of this Report.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulation) is given below.

## 2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31<sup>st</sup> March, 2019 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Director ships@	No. of Committee position in other Companies**		No. of Board Meetings attended during the year	Attendance at the AGM held on 22-09-2018 Yes(Y)/No(N)
			Member	Chairman		
Prakash R. Vora Managing Director	Promoter - Executive	-	-	-	9	Y
Udayan D. Velvan Executive Director	Promoter- Executive	1	1	-	9	Y
Amrish R. Patel Chairman	Independent Director	-	-	-	9	Y
Ashok Kumar V. Shah	Independent Director	-	-	-	9	N
Anal R. Desai	Independent Director	1	-	2	8	Y

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

\*\* for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

b) Directorship in Listed Entities other than Shree Rajeshwaranand Paper Mills Limited and the category of directorship as on 31<sup>st</sup> March, 2019, is as follows:

Name of Directors	Name of listed Company	Category of Directorship
Prakash R. Vora	-	-
Udayan D. Velvan	Prism Finance Limited	Independent Director
Amrish R. Patel	-	-
Ashok Kumar V. Shah	-	-
Anal R. Desai	Prism Finance Limited	Independent Director

**c) Relation between directors inter-se:**

None of the Directors are related to each other.

**d) Board Procedures:**

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meetings of the Board of Directors for a period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 were held 9 times on 24-04-2018; 30-05-2018; 27-06-2018; 20-07-2018; 14-08-2018; 01-10-2018; 05-11-2018; 14-02-2019 and 20-03-2019.

**e) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2019:**

No Non-Executive Director holds any Equity Shares or convertible securities in the Company.

**f) Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's website – [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com).

**g) Chart or Matrix setting out the skills/ expertise/ competence of the board of directors specifying the following:**

Name	Qualifications	Experience	Expertise
Amrish R. Patel	B. Com, L.L.B.	He has an experience of more than 30 years in the field of Management, Accounts and Finance	Management, Accounts and Finance
Prakash R. Vora	B. Com	He has an experience of more than 30 years in the field of Management and Administration	Management and Administration
Udayan D. Velvan	B. Com	He has an experience of more than 35 years in the field of Management and Paper Industry	Management and Administration
Ashok Kumar V. Shah	B. Com, C.A., C.S., DISA	He is a CA as well as CS. He also holds a degree in Information System Audit issued by ICAI and has vast experience in the field of Taxation and Finance.	Taxation and Finance
Anal R. Desai	Company Secretary	She has an experience of more than 15 years in the field of Company Law and Compliance Management	Legal and Secretarial Management

**h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.****i) Mr. Ashok Gosavi, Independent Director of the Company had resigned from the office of Director due to personal reasons and there is no other material reason other than those provided.**

## Shree Rajeshwaranand Paper Mills Limited

### 3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings attended during 2018-19
Aanal R. Desai Chairman	All members are Non-executive. Chairman is Independent Director and Majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	3 of 4
Amrish R. Patel			4 of 4
Ashok Kumar V. Shah			4 of 4

The Audit Committee met 4 times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2018; 14-08-2018; 05-11-2018&14-02-2019. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

### 4. NOMINATION & REMUNERATION COMMITTEE:

Name of the Directors	Functions of the Committee	No. of Meetings attended during 2018-19
Aanal R. Desai Chairman	All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, no meeting of Nomination & Remuneration Committee was held on 20-07-2018 and 01-10-2018.
Amrish R. Patel		
Ashok Kumar V. Shah		

#### Terms of reference and Nomination & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

#### Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

### 5. REMUNERATION OF DIRECTORS:

1. Mr. Prakash R. Vora, Managing Director was paid Rs. 15,00,000/- as managerial remuneration during the financial year 2018-19.
2. Mr. Udayan D. Velvan, Executive Director was paid Rs.15,00,000/- as managerial remuneration during the financial year 2018-19.

3. No Sitting Fees was paid during the financial year 2018-19.
4. No Commission or Stock Option has been offered to the Directors.
5. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
6. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
7. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
8. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
9. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31<sup>st</sup> March, 2019.

#### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

- |                            |          |
|----------------------------|----------|
| 1. Mr. Ashok Kumar V. Shah | Chairman |
| 2. Mr. Prakash R. Vora     | Member   |
| 3. Ms. Anal R. Desai       | Member   |

The Company received one complaint which was disposed off during the year. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2019.

Ms. Kinjal Sheth is the Compliance Officer for the above purpose.

#### 7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2015-16 (25 <sup>th</sup> AGM)	24-09-2016	1.00 p.m.	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia Dist: Bharuch, Gujarat – 393 001 <b>Special Resolution:</b> 1. Authority to Board of Directors to make Investment under Section 186.
2016-17 (26 <sup>th</sup> AGM)	23-09-2017	1.00 p.m.	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia Dist: Bharuch, Gujarat – 393 001 <b>No Special Resolution was passed.</b>
2017-18 (27 <sup>th</sup> AGM)	22-09-2018	1.00 p.m.	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia Dist: Bharuch, Gujarat – 393 001 <b>Special Resolution:</b> 1. Re-appointment of Prakash R. Vora as a managing director. 2. Re-appointment of Udayan D. Velvan as executive director 3. Authorising the Board of Directors under Section 186 of the Companies Act, 2013.

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2018-19.

## Shree Rajeshwaranand Paper Mills Limited

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### 8. MEANS OF COMMUNICATION:

In compliance with the requirements of the SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com).

The reports, statements, documents, filings and any other information are electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31<sup>st</sup> March, 2019, no presentations were made to Institutional Investors or analyst or any other enterprise.

### 9. GENERAL SHAREHOLDERS' INFORMATION:

- a) Registered Office : Village : Govali, Bharuch - Jhagadia Road,  
Tal : Jhagadia, Dist : Bharuch,  
Gujarat - 393 001
- b) Annual General Meeting : Day : Saturday  
Date : 21-09-2019  
Time : 1.00 p.m.  
Venue: Village : Govali,  
Bharuch - Jhagadia Road,  
Tal : Jhagadia, Dist : Bharuch,  
Gujarat - 393 001
- c) Financial Year : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
- d) Financial Calendar : 1st Quarter Results : Mid-August, 2019.  
Half-yearly Results : Mid-November, 2019.  
3rd Quarter Results : Mid-February, 2020.  
Audited yearly Results : End-May, 2020.
- e) Book Closure Dates : From : Friday, the 14<sup>th</sup> September, 2019  
To : Saturday, the 21<sup>st</sup> September, 2019.  
(Both days inclusive).
- f) Dividend Payment Date : Not applicable.
- g) Listing of Shares on Stock Exchanges : **BSE Limited**,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400 001.  
The Company has paid the annual listing fees for the financial year 2019-20 to both the Stock Exchanges where its securities are listed
- h) Stock Exchange Code : 

<u>Stock Exchange</u>	<u>Code</u>
BSE	516086
- i) Registrar and Share Transfer Agents. : The Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:  
M/s. Sharex Dynamic (India) Pvt. Ltd.  
C-101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai – 400 083  
Tele. No. : (022) 2851 5606, 2851 5644  
Fax No. : (022) 2851 2885  
E-mail address: [support@sharexindia.com](mailto:support@sharexindia.com)

- j) Share Transfer System: : The transfer of shares in physical form is processed and completed by M/s. Sharex Dynamic (India) Pvt. Ltd. (RTA of the Company) within a period of 15 days from the date of receipt thereof.

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, SEBI has amended Regulation 40 of the Listing regulations effective from 1<sup>st</sup> April 2019, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1<sup>st</sup> April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1<sup>st</sup> April 2019 with the Registrar and Share transfer Agents of the Company. Hence, Shareholders are advised to get their shares dematerialized.

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

- k) Stock Price Data :

The shares of the Company were traded on the BSE Limited.

The information on stock price data, BSE Sensex details are as under:

Month	BSE			BSE Sensex
	High ( <sup>₹</sup> )	Low ( <sup>₹</sup> )	No. of Shares Traded	
April, 2018	13.68	10.71	69570	35160.36
May, 2018	11.70	8.30	46631	35322.38
June, 2018	10.71	8.33	19837	35423.48
July, 2018	8.78	7.28	9919	37606.58
August, 2018	11.10	7.23	37496	38645.07
September, 2018	12.79	9.56	42686	36227.14
October, 2018	10.98	7.93	91900	34442.05
November, 2018	10.58	8.61	39269	36194.30
December, 2018	9.11	7.60	23660	36068.33
January, 2019	10.19	8.01	69447	36256.69
February, 2019	7.91	6.22	6749	35867.44
March, 2019	8.01	6.66	16377	38672.91

## Shree Rajeshwaranand Paper Mills Limited

- l) Distribution of Shareholding as on 31<sup>st</sup> March, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	10200	88.11	1438908	11.56
501 to 1000	704	6.08	639530	5.14
1001 to 2000	273	2.36	446983	3.59
2001 to 3000	153	1.32	396587	3.19
3001 to 4000	50	0.43	181015	1.45
4001 to 5000	48	0.41	231572	1.86
5001 to 10000	69	0.60	492239	3.95
10001 & above	80	0.69	8623166	69.26
<b>Grand Total</b>	<b>11577</b>	<b>100.00</b>	<b>12450000</b>	<b>100.00</b>

- m) Category of Shareholders as on 31<sup>st</sup> March, 2019:

Category	No. of Shares held	% of Shareholding
Promoters	1481495	11.90
Financial Institutions/Banks	3100	0.02
Mutual Funds	-	-
Bodies Corporate	3112772	25.00
NRIs & CMs	20636	0.17
Public	7831997	62.91
<b>Grand Total</b>	<b>12450000</b>	<b>100.00</b>

- n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs/ Warrants/ Convertible Instruments.

- o) Dematerialisation of Shares and liquidity : The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares.  
As on 31<sup>st</sup> March, 2019, a total of 80,03,915 Equity Shares of the Company which form 64.29 % of the Equity Share Capital of the Company stands dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE617D01017.

- p) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

- q) Plant Location:

Village: Govali, Bharuch-Jhagadia Road, Tal.-Jhagadia, Dist.-Bharuch, Gujarat – 393 001.

- r) Address for Correspondence:  
For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Sharex Dynamic (India) Pvt. Ltd.  
C-101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai – 400 083

Tele. No. :(022) 2851 5606, 2851 5644

Fax No. :(022) 2851 2885

e-mail Address: [support@sharexindia.com](mailto:support@sharexindia.com)

Compliance Officer : Ms. Kinjal Sheth, Company Secretary

- s) CREDIT RATINGS:

The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 10. MANAGEMENT DISCUSSION AND ANALYSIS:

### a. Industry Structure and Developments:

The News Paper/Printing Paper Industry is reverting into a good condition which was passing through competitive phase for a very long time. Presently due to the environmental impact of China & also due to Globalization & International Market, News Paper/Printing Paper Industry is growing well in the economy.

### b. Opportunities and Threats:

The News Paper/Printing Paper industry is subject to competition among various manufactures within the country. The Print media industry is growing with 6-7% growth which will provide opportunity to company to increase its sales and capture more market share.

### c. Segment wise Performance:

The Company is operating mainly in News Print Manufacturing. The Company is also in manufacturing of Tools.

### d. Recent Trend and Future Outlook:

The Management is confident of improvement in the demand of Newsprint Paper in the near future with increase in preference of reading Newspapers by general public and more thrust put by the Corporates in publishing advertisements in the Newspapers.

### e. Risks and Concerns:

Like any other industry, Newsprint Paper industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is importing very few materials and not exporting finished product, the Company has little risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

### f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. The Company has appointed an external firm of Chartered Accountants to supplement efficient Internal Audit.

**g. Financial Performance with respect to Operational Performance:**

The financial performance of the Company for the year 2018-19 is described in the Directors' Report under the head 'Review of Operation'.

**h. Material Developments in Human Resources and Industrial Relations Front:**

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

**i. Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**j. Key Financial Ratios:**

Key Ratios	FY 2018-19	FY 2017-18	Change %	Explanation, if required
Debtors Turnover (days)	127 days	153 days	0.17%	-
Inventory Turnover	170 days	103 days	0.65%	-
Interest Coverage Ratio	1.14	1.07	0.065%	The interest payment has increased by 0.07% due to decrease in external borrowings from financial institutions and increase in profitability.
Current Ratio	1.13	1.17	0.034	The current ratio has reduced compared to previous year
Debt Equity Ratio (Long term)	0.33	0.75	0.56	The debt-equity ratio has improved during the year under review.
Operating Profit Margin (%)	19.43%	17.06%	0.14	The operating profit has improved compared to previous year by 0.14%.
Net Profit Margin (%)	0.81%	0.08%	9.13	The net-profit has improved compared to previous year by 9.13%
Return on Network	3.44%	0.42%	7.19	The return on net-worth has improved compared to previous year by 7.19%

**11. DISCLOSURES:**

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

- c) The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d) The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e) The policy on related party transactions is disclosed on the Company's website viz. [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com)
- f) Disclosure of Accounting Treatment:  
Your Company has followed all relevant Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015.
- g) The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –E**.
- i) During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.) The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. Kanak Rathod & Co., and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2018-19	2017-18
Audit Fees	1,20,000	1,20,000
Other fees (specify)	11,193	14,108
Other fees (specify)	-	-

- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as at the end of the financial year	Nil

## 12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

## 13. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i. The Company has a Non – Executive Chairman.
- ii. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website viz. [www.rajeshwaranandpaper.com](http://www.rajeshwaranandpaper.com)
- iii. The Company's financial statements for the financial year 2018–19 do not contain any audit qualification.

## Shree Rajeshwaranand Paper Mills Limited

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iv. The internal auditors report to the Audit Committee.

14. The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Place : Jhagadia  
Date : 26<sup>th</sup> July, 2019

**Amrish R. Patel**  
**Chairman**

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### DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2019.

For Shree Rajeshwaranand Paper Mills Limited

Place : Jhagadia  
Date : 26<sup>th</sup> July, 2019

**Prakash R. Vora**      **Karunashankar Vora**  
**Managing Director**      **CFO**

**CERTIFICATE**

To  
The Members of  
Shree Rajeshwaranand Paper Mills Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Shree Rajeshwaranand Paper Mills Limited, for the year ended on 31<sup>st</sup> March, 2019 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 & Part E of Schedule II of LODR.

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 KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR  
COP No. 2052  
FCS No. 1821  
FRN: S2011GJ166500

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2019

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

[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,  
**Shree Rajeshwaranand Paper Mills Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Rajeshwaranand Paper Mills Limited** [CIN: L21093GJ1991PLC057244] ('hereinafter called the Company') having Registered Office at Bharuch - Jhagadia Road, Village-Govali, Dist.: Bharuch, Gujarat – 393 001. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 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, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable 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 (Not Applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and

- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. and sector specific laws such as Forest (Conservation) Act, 1980, Chemical Accidents( Emergency Planning, Preparedness and Response) Rules, 1996, Indian Boilers Act, 1923 for which we have relied on Certificates/ Reports/ Declarations/ Consents/ Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

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

- (i) Secretarial Standards SS – 1 & SS – 2 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited

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

The following are our observations during the Audit:

*The Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form pursuant to Point 12 of para II of Annexure to the SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20<sup>th</sup> April, 2018. However, the Company has placed note for the same in the Annual Report for the year 2017-18.*

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the Company has duly passed Special Resolution under Section 188, 196, 197, 203 and other applicable provisions of the Companies Act, 2013 regarding re-appointment of Mr. Prakash R. Vora as Managing Director & Mr. Udayan D. Velvan as Whole Time Director at the 37<sup>th</sup> Annual General Meeting of the members of the Company held on 26<sup>th</sup> September, 2018.

We further report that during the audit period the Company has duly passed Special Resolution under Section 186 and other applicable provisions of the Companies Act, 2013 at the 37<sup>th</sup> Annual General Meeting of the members of the Company held on 26<sup>th</sup> September, 2018.

**For KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2019

FRN: S2011GJ166500  
FCS No. 1821 COP No. 2052 PR-583/2019

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

To,  
The Members,  
**Shree Rajeshwaranand Paper Mills Limited**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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.

**For KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR

FRN: S2011GJ166500

FCS No. 1821 COP No. 2052 PR-583/2019

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2019

## FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2019

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

## I. REGISTRATION AND OTHER DETAILS:

(1)	CIN	L21093GJ1991PLC057244
(2)	Registration Date	20-03-1991
(3)	Name of the Company	Shree Rajeshwaranand Paper Mills Limited
(4)	Category / Sub-Category of the Company	Public Company
(5)	Address of the registered Office and Contact Details	Bharuch - Jhagadia Road, Village-Govali, Dist.: Bharuch, Gujarat – 393 001 Mobile No: (02645) 227705 / 6 / 7
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd Address:C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Contact No.: 28515606/28515644 /28516338 Email id: <a href="mailto:support@sharexindia.com">support@sharexindia.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Newsprint Paper	21013	99.59%
2	Tools / Abbrsives	2399	00.41%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

## IV. SHARE HOLDING PATTERN:

## i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2018				No. of Shares held as on 31 <sup>st</sup> March, 2019				% Change during 2018-19
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	800195	629400	1429595	11.48	852095	629400	1481495	11.90	0.42
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>800195</b>	<b>629400</b>	<b>1429595</b>	<b>11.48</b>	<b>852095</b>	<b>629400</b>	<b>1481495</b>	<b>11.90</b>	<b>0.42</b>

**Shree Rajeshwaranand Paper Mills Limited**

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	2900	200	3100	0.02	2900	200	3100	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2900	200	3100	0.02	2900	200	3100	0.02	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1118904	2023700	3142604	25.24	2539072	573700	3112772	25.00	(0.24)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding <= ₹ 1,00,000	1544581	2224685	3769266	30.28	1543980	2091085	3635065	29.20	(1.08)
ii) Individuals holding > ₹ 1,00,000	2841283	1228700	4069983	32.69	2976971	1122800	4099771	32.93	0.24
c) Others (specify)									
NRIs	7360	4400	11760	0.10	7586	4400	11986	0.10	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	23692	-	23692	0.19	8650	-	8650	0.07	(0.12)
Trusts	-	-	-	-	-	-	-	-	-
Others (HUF)	-	-	-	-	72661	24500	97161	0.78	0.78
Sub-total (B)(2):-	5535820	5481485	11017305	88.50	7148920	3816485	10965405	88.08	(0.42)
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5538720</b>	<b>5481685</b>	<b>11020405</b>	<b>88.52</b>	<b>7151820</b>	<b>3816685</b>	<b>10968505</b>	<b>88.10</b>	<b>(0.42)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6338915</b>	<b>6111085</b>	<b>12450000</b>	<b>100.00</b>	<b>8003915</b>	<b>4446085</b>	<b>12450000</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2018			Shareholding as on 31-03-2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Udayan D. Velvan	1379895	11.08	2.43	1379895	11.08	2.43	-
2	Prakash R. Vora	49700	0.40	-	101600	0.82	-	0.42
	<b>TOTAL</b>	<b>1429595</b>	<b>11.48</b>	<b>2.43</b>	<b>1481495</b>	<b>11.90</b>	<b>2.43</b>	<b>0.42</b>

## iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group	Shareholding as on 1 <sup>st</sup> April, 2018		Changes during the Year 2018-19	Shareholding as on 31 <sup>st</sup> March, 2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Prakash R. Vora	49700	0.40	51900	101600	0.82
	<b>TOTAL</b>	<b>49700</b>	<b>0.40</b>	<b>51900</b>	<b>101600</b>	<b>0.82</b>

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2018		Changes during the Year (change due to transfer of Shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Innovate Securities Pvt. Ltd.	1050000	8.43	1450000	2500000	20.080
2	S L Trades & Fin India (P) Ltd	500000	4.01	(500000)	-	-
3	Vista Food Products (P) Ltd	500000	4.01	(500000)	-	-
4	Kasturi Towers Ltd	500000	4.01	(500000)	-	-
5	Diamond Textile Mills Pvt Ltd	500000	4.01	-	500000	4.01
6	Swati Kashyap Mehta	405250	3.25	-	405250	3.25
7	Kashyap Rajendrabhai Mehta	395202	3.17	-	395202	3.17
8	Meera N. Patel	272125	2.19	-	272125	2.19
9	Narendra M. Patel	211022	1.70	-	211022	1.70
10	Shruti N. Patel	184726	1.48	-	184726	1.48
11	Mahendra Girdharilal	100	0.00	161249	161349	1.30
12	Bharat V Sakariya	150000	1.20	-	150000	1.20
13	Jayleshbhai Navnitlal Shah	150000	1.20	-	150000	1.20
	<b>Total</b>	<b>4818425</b>	<b>38.66</b>	<b>-</b>	<b>4929674</b>	<b>39.58</b>

## Shree Rajeshwaranand Paper Mills Limited

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

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2018		Changes during the Year (No. of shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Udayan D. Velvan	1379895	11.08	-	1379895	11.08
2.	Prakash R. Vora	49700	0.40	51900	101600	0.82
	<b>TOTAL</b>	<b>1429295</b>	<b>11.48</b>	<b>-</b>	<b>1481495</b>	<b>11.90</b>

### V. INDEBTEDNESS :

(in `)

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2018				
	i) Principal Amount	53,91,33,279	3,59,47,015	5,37,66,623	62,88,46,916
	ii) Interest due but not paid	20,78,190	0	0	20,78,190
	iii) Interest accrued but not due	0	3,77,382	1,12,06,787	1,15,84,169
	Total (i+ii+iii)	<b>54,12,11,468</b>	<b>3,63,24,397</b>	<b>6,49,73,409</b>	<b>64,25,09,275</b>
B.	Net Change during 2018-19	<b>-5,13,55,314</b>	<b>-30,98,381</b>	<b>19,12,600</b>	<b>-5,25,41,095</b>
C.	Indebtedness as on 31-03-2019				
	i) Principal Amount	48,77,77,965	3,28,48,635	5,56,79,222	57,63,05,822
	ii) Interest due but not paid	0	0	0	0
	iii) Interest accrued but not due	0	2,35,893	1,28,02,467	1,30,38,360
	Total (i+ii+iii)	<b>48,77,77,965</b>	<b>3,30,84,528</b>	<b>6,84,81,689</b>	<b>58,93,44,182</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of Executive Director	TOTAL
		Mr. Prakash R. Vora	Mr. Udayan D. Velvan	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 15,00,000/-	₹ 15,00,000/-	₹ 30,00,000/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
5.	Others, Please specify	NIL	NIL	
	Total (A)	₹ 15,00,000/-	₹ 15,00,000/-	₹ 30,00,000/-
	Ceiling as per the Companies Act	₹ 1,68,00,000/-	₹ 1,68,00,000/-	-

**B. Remuneration to other Directors:**

Other Directors have not been paid any remuneration.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		TOTAL
		Mr. Karunashankar Vora, CFO	Ms. Kinjal Sheth* CS	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.6,58,068/-	Rs.1,00,000/-	Rs. 7,58,068/-
(b)	Value of perquisites u/s 17(2)Income-tax Act, 1961	Rs.25,490/-	Rs. 4,998/-	Rs. 30,488/-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify	-	-	-
	Total	<b>Rs. 6,83,558/-</b>	<b>Rs.1,04,998/-</b>	<b>Rs. 7,88,556/-</b>

\*Appointed as Company Secretary & Compliance Officer w.e.f. 1<sup>st</sup> October, 2018.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There are no such Penalties/ Punishment/ Compounding of Offences during the year 2018-19.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**Shree Rajeshwaranand Paper Mills Limited**  
Bharuch Jhagadia Road,  
Govali – 393001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shree Rajeshwaranand Paper Mills Limited** having CIN: L21093GJ1991PLC057244 and having registered office at Bharuch Jhagadia Road, Govali – 393 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Amrishbhai Rambhai Patel*	00214477	01-01-2008
2	Prakashchandra Rasiklal Vora	00612357	03-08-2006
3	Ashok Kumar Vanechand Shah*	00861424	01-10-2010
4	Udayan Velvan Dineshchandra	01876652	01-10-2015
5	Anal Ruchir Desai <sup>#</sup>	02636329	31-12-2016

\* appointed as Independent Directors of the Company for period of 5 consecutive years w.e.f. 20-09-2014

<sup>#</sup> appointed as Independent Director of the Company for period of 5 consecutive years w.e.f. 23-09-2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR  
COP No. 2052  
FCS No. 1821  
FRN: S2011GJ166500

Place : Ahmedabad  
Date : 26<sup>th</sup> July, 2019

## INDEPENDENT AUDITORS' REPORT

To,  
**The Members of**  
**Shree Rajeshwaranand Paper Mills Limited.**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **SHREE RAJESHWARANAND PAPER MILLS LIMITED** ('the Company'), of, which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (Including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and notes to standalone financial statements, including a summary of the significant accounting policies and other Explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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 standalone financial statements are free from material misstatement.

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

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

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Revenue Recognition</b>	<b>Our audit procedures included :-</b>
Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on	<ul style="list-style-type: none"> <li>- We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards</li> <li>- We performed substantive testing by selecting samples of revenue transactions recorded during the year by</li> </ul>

## Shree Rajeshwaranand Paper Mills Limited

<p>customer terms.</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur</p> <p><b>Provision for taxation and other significant provisions</b></p> <p>Accrual for tax and other contingencies requires the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims and other eventualities arising in the regular course of business</p> <p>The key judgements lies in the estimations of the provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables.</p>	<p>verifying the underlying documents, which included goods dispatch notes and shipping documents</p> <ul style="list-style-type: none"> <li>- We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.</li> <li>- We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates</li> <li>- We assessed manual journals posted to revenue to identify unusual items.</li> </ul> <p><b>Our audit procedures included :</b></p> <ul style="list-style-type: none"> <li>- We tested the effectiveness of controls around the recognition of provisions</li> <li>- We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>- We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias.</li> <li>- We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well.</li> <li>- We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>
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### Information other than the standalone financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Shree Rajeshwaranand Paper Mills Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - a. We have sought & 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 and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies ( Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. - Refer Note 32 to the standalone financial statements;
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

**For KANAK RATHOD & CO.**  
Chartered Accountants  
**Firm Registration No.: 104700W**

Place : Mumbai  
Date : 30/05/2019

**KANAK RATHOD**  
PROPRIETOR  
M.No.: 032833

**ANNEXURE - A TO THE AUDITORS' REPORT.**

The Annexure referred to in Independent Auditors' Report to the members of **M/s. SHREE RAJESHWARANAND PAPER MILLS LIMITED.** ('The Company') on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2019, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) The company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, designed to cover all the fixed assets over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.
- (ii) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iii a) to (iii c) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, compliances with the provisions of section 185 and 186 of the Companies Act 2013 is not applicable to the company since it has not given any loans, made any investments and given any guarantees.
- (v) During the year under consideration, the company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the notification of the Central Government for maintenance of cost record under section 148(1) of the Companies Act, 2013 and on the basis of such review, we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) In our opinion and according to the information and explanation given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Income-tax, GST, Custom Duty, Cess and any other material statutory dues as applicable to it. According to the information and explanation given to us, no undisputed amounts payable in

## Shree Rajeshwaranand Paper Mills Limited

respect of outstanding statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the company examined by us, the disputed dues in respect of Sales Tax are as under:

Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending
Sales Tax	82,28,792/-	F.Y. 2005-2006	GVAT Tribunal, Ahmedabad

- (viii) In our opinion and according to the information and explanations given to us, there has been instances of delay in repayment of dues to Bank of India. The company has not defaulted in repayment of dues to other financial institution or other banks The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purpose for which they were raised. The company has not raised any money by initial public offer or further public offer.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information given to us all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act where applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or the persons connected to him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For KANAK RATHOD & CO.**  
Chartered Accountants  
**Firm Registration No.: 104700W**

Place : Mumbai  
Date : 30/05/2019

**KANAK RATHOD**  
PROPRIETOR  
M.No.: 032833

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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 **SHREE RAJESHWARANAND PAPER MILLS LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 the 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 were 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 of the Company.

**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 standalone financial statements for external purposes in accordance with generally accepted accounting principles.

## **Shree Rajeshwaranand Paper Mills Limited**

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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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 standalone 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.

**For KANAK RATHOD & CO.**  
Chartered Accountants  
**Firm Registration No.: 104700W**

Place : Mumbai  
Date : 30/05/2019.

**KANAK RATHOD**  
PROPRIETOR  
M.No.: 032833

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

PARTICULARS	Note	As at March 31, 2019 ( <sup>₹</sup> )	As at March 31, 2018 ( <sup>₹</sup> )
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	38,91,40,705	41,93,60,700
Capital work-in-progress	4	48,80,511	41,21,828
Other Intangible assets	5	5,09,343	7,47,307
Other non-current assets	6	1,32,22,993	1,62,35,454
<b>Total Non - Current Assets</b>		<b><u>40,77,53,552</u></b>	<b><u>44,04,65,289</u></b>
<b>Current assets</b>			
Inventories	7	22,10,88,369	15,19,06,442
Financial Assets			
Trade receivables	8	46,27,82,160	46,14,14,076
Cash and cash equivalents	9	1,83,127	3,36,225
Bank balances other than above	10	2,24,96,656	2,20,57,491
Other Financial Assets	11	6,68,901	8,69,931
Other current assets	12	15,62,53,981	13,86,77,601
<b>Total Current Assets</b>		<b><u>86,34,73,195</u></b>	<b><u>77,52,61,766</u></b>
<b>TOTAL ASSETS</b>		<b><u>1,27,12,26,746</u></b>	<b><u>1,21,57,27,054</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	13	12,45,00,000	12,45,00,000
Other Equity		18,25,37,436	17,19,75,370
<b>Total Equity</b>		<b><u>30,70,37,436</u></b>	<b><u>29,64,75,370</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	14	17,41,15,484	22,29,89,297
Provisions	15	8,34,349	97,376
Deferred tax liabilities (Net)	16	2,17,29,000	3,07,57,583
<b>Total Non - Current Liabilities</b>		<b><u>19,66,78,833</u></b>	<b><u>25,38,44,256</u></b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	17	32,27,93,010	32,48,09,355
Trade Payables	18	16,59,36,418	9,29,60,875
Other financial liabilities	19	24,44,99,205	20,98,66,782
Other current liabilities	20	2,57,87,008	2,73,05,984
Provisions	21	17,00,098	14,26,997
Current Tax Liabilities (Net)	22	67,94,739	90,37,435
<b>Total Current Liabilities</b>		<b><u>76,75,10,478</u></b>	<b><u>66,54,07,428</u></b>
<b>Total Liabilities</b>		<b><u>96,41,89,311</u></b>	<b><u>91,92,51,684</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,27,12,26,747</u></b>	<b><u>1,21,57,27,054</u></b>
<b>CORPORATE INFORMATION</b>	<b>1</b>		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		
<b>The accompanying notes are an integral part of these financial statements</b>	<b>3-42</b>		

As per our report attached of even date

**For Kanak Rathod & Co.***Chartered Accountants*

Firm Reg. No.104700W

**KANAK RATHOD**

Proprietor

Membership No. 032833

Place : Mumbai

Date : **30/05/2019****For Shree Rajeshwaranand Paper Mills Ltd.****Prakash R. Vora**  
*Managing Director*  
DIN : 00612357**Udayan D. Velvan**  
*Executive Director*  
DIN : 01876652**Karunashankar Vora**  
*Chief Financial Officer***Kinjal Sheth**  
*Company Secretary*

Place : Jhagadia

Date : **30/05/2019**

## Shree Rajeshwaranand Paper Mills Limited

### STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Year ended March 31, 2019 (₹)	Year ended March 31, 2018 (₹)
<b>INCOME</b>			
Revenue From Operations	23	1,33,10,15,822	1,12,35,76,468
Other Income	24	1,21,45,099	13,71,577
<b>Total Income</b>		<b>1,34,31,60,921</b>	<b>1,12,49,48,045</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	80,08,41,459	53,38,45,833
Excise Duty on Sale of Goods		-	7,90,599
Purchases of Stock-in-Trade	26	-	11,69,68,143
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(2,43,35,429)	1,90,69,249
Employee benefits expense	28	5,14,22,967	4,44,70,959
Finance costs	29	9,09,32,355	8,92,67,728
Depreciation and amortization expense	3	6,95,85,195	6,88,13,222
Other expenses	30	34,21,18,756	24,51,52,180
<b>Total Expenses</b>		<b>1,33,05,65,304</b>	<b>1,11,83,77,915</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>1,25,95,617</b>	<b>65,70,130</b>
<b>Exceptional Items</b>		-	-
<b>Profit/(loss) before tax</b>		<b>1,25,95,617</b>	<b>65,70,130</b>
<b>Tax expense:</b>			
Current tax	16	95,02,928	1,16,75,595
Income Tax Relating To Previous Years	16	13,24,234	28,32,413
Deferred Tax / MAT Credit Entitlement	16	(90,28,582)	(87,71,097)
<b>Total Tax expenses</b>		<b>17,98,580</b>	<b>57,36,911</b>
Profit/(loss) after Tax		<b>1,07,97,037</b>	<b>8,33,219</b>
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Profit &amp; Loss in subsequent years</b>		-	-
Remeasurement of Net Defined Benefit Obligations / Assets (Net of Tax)		(2,34,971)	4,11,086
<b>Total Comprehensive Income for the period</b>		<b>1,05,62,066</b>	<b>12,44,305</b>
Earnings per equity share - Basic & Diluted:	32	0.87	0.07
<b>CORPORATE INFORMATION</b>	<b>1</b>		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		
<b>The accompanying notes are an integral part of these financial statements</b>	<b>3-42</b>		

As per our report attached of even date

**For Kanak Rathod & Co.**

Chartered Accountants

Firm Reg. No.104700W

**KANAK RATHOD**

Proprietor

Membership No. 032833

Place : Mumbai

Date : 30/05/2019

**For Shree Rajeshwaranand Paper Mills Ltd.**

**Prakash R. Vora**  
Managing Director  
DIN : 00612357

**Udayan D. Velvan**  
Executive Director  
DIN : 01876652

**Karunashankar Vora**  
Chief Financial Officer

**Kinjal Sheth**  
Company Secretary

Place : Jhagadia

Date : 30/05/2019

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**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019**


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Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	(`)	(`)	(`)	(`)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before Tax		1,25,95,617		65,70,130
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>				
Depreciation & Amortization	6,95,85,195		6,88,13,222	
Finance Cost	9,09,32,355		8,92,67,728	
Interest Income	(1,21,43,065)		(13,60,823)	
(Profit) / Loss on Sale of Assets	2,498	14,83,76,983	-	15,67,20,127
<b>Operating Profit Before Changes in Working Capital</b>		<b>16,09,72,600</b>		<b>16,32,90,257</b>
<b>Adjustment For Changes in Working Capital :</b>				
(Increase) / Decrease in Trade Receivables	(13,68,084)		1,72,89,570	
(Increase) / Decrease in Inventories	(6,91,81,927)		(27,21,619)	
(Increase) / Decrease in Other Current Financial Assets	-		-	
(Increase) / Decrease in Other Current Assets	(1,73,75,350)		(1,25,38,603)	
(Increase) / Decrease in Other Non - Current Financial Assets				
(Increase) / Decrease in Other Non - Current Assets	30,12,461		(6,37,994)	
Increase / (Decrease) in Trade Payables	7,29,75,543		1,60,66,957	
Increase / (Decrease) in Other Current Financial Liabilities	3,46,32,422		88,31,545	
Increase / (Decrease) in Other Current Liabilities	(15,18,976)		(4,69,17,362)	
Increase / (Decrease) in Current Provisions	7,75,102		60,216	
Increase / (Decrease) in Other Non - Current Liabilities	-	2,19,51,190	(1,50,00,000)	(3,55,67,290)
Cash Generated From Operations		<b>18,29,23,790</b>		<b>12,77,22,967</b>
Less: Taxes Paid (Net of refund received)		(1,30,69,858)		(1,54,38,222)
<b>Net Cash From Operating Activities (A)</b>		<b>16,98,53,932</b>		<b>11,22,84,745</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	(3,99,01,003)		(5,19,22,510)	
SSale of Property, Plant & Equipment & Intangible Assets	12,586		-	
Interest Received	1,21,43,065		13,60,823	
<b>Net Cash From Investing Activities (B)</b>		<b>(2,77,45,352)</b>		<b>(5,05,61,687)</b>

## Shree Rajeshwaranand Paper Mills Limited

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	(`)	(`)	(`)	(`)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long term Borrowing	(4,88,73,814)		36,92,709	
Increase / (Decrease) in Short Term Borrowings	(20,16,345)		1,76,17,764	
Deposits and Margin Money	(4,39,165)		46,40,538	
Finance Cost	(9,09,32,355)		(8,92,67,728)	
<b>Net Cash From Financing Activities (C)</b>		<b>(14,22,61,678)</b>		<b>(6,33,16,717)</b>
<b>(D) NET CASH FLOW FOR THE YEAR (A+B+C)</b>		<b>(1,53,098)</b>		<b>(15,93,659)</b>
Add: Opening Balance of Cash & Cash Equivalents		3,36,225		19,29,884
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>1,83,127</b>		<b>3,36,225</b>
Note :				
i. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow Statement				
ii. Reconciliation of Cash and Cash Equivalent				
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER</b>				
a. Balance with banks in current accounts		13,211		2,17,842
b. Cash on Hand		1,69,917		1,18,383
<b>CASH AND CASH EQUIVALENT</b>		<b>1,83,127</b>		<b>3,36,225</b>
Net effect of Unrealised Exchange Difference		-		-
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>1,83,127</b>		<b>3,36,225</b>

As per our report attached of even date

**For Kanak Rathod & Co.**

Chartered Accountants

Firm Reg. No.104700W

**KANAK RATHOD**

Proprietor

Membership No. 032833

Place : Mumbai

Date : 30/05/2019

**For Shree Rajeshwaranand Paper Mills Ltd.**

**Prakash R. Vora**

Managing Director

DIN : 00612357

**Udayan D. Velvan**

Executive Director

DIN : 01876652

**Karunashankar Vora**

Chief Financial Officer

Place : Jhagadia

Date : 30/05/2019

**Kinjal Sheth**

Company Secretary

**STATEMENT OF CHANGES IN EQUITY****A. Equity Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount
<b>Balance as at the beginning of the reporting period</b>	<b>1,24,50,000</b>	<b>12,45,00,000</b>
Add: Changes in Equity Capital during the year	-	-
<b>Balance as at the end of the reporting period</b>	<b>1,24,50,000</b>	<b>12,45,00,000</b>

  

Particulars	As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount
<b>Balance as at the beginning of the reporting period</b>	<b>1,24,50,000</b>	<b>12,45,00,000</b>
Add: Changes in Equity Capital during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>1,24,50,000</b>	<b>12,45,00,000</b>

**B. Other Equity**

Particulars	Retained Earnings	Total
<b>Balance as on April 01, 2017</b>	17,07,31,065	17,07,31,065
Profit for the period	8,33,219	8,33,219
<b>Other comprehensive income</b>	-	-
Remeasurements gains / (loss) on defined benefit plans	4,11,086	4,11,086
<b>As at March 31, 2018</b>	<b>17,19,75,370</b>	<b>17,19,75,370</b>
Profit for the period	1,07,97,037	1,07,97,037
<b>Other comprehensive income</b>	-	-
Remeasurements gains / (loss) on defined benefit plans	(2,34,971)	(2,34,971)
<b>As at March 31, 2019</b>	<b>18,25,37,436</b>	<b>18,25,37,436</b>

CORPORATE INFORMATION 1

SIGNIFICANT ACCOUNTING POLICIES 2

The accompanying notes are an integral part of these financial statements 3-42

As per our report attached of even date

**For Kanak Rathod & Co.**

Chartered Accountants

Firm Reg. No.104700W

**KANAK RATHOD**

Proprietor

Membership No. 032833

Place : Mumbai

Date : 30/05/2019

**For Shree Rajeshwaranand Paper Mills Ltd.****Prakash R. Vora**

Managing Director

DIN : 00612357

**Udayan D. Velvan**

Executive Director

DIN : 01876652

**Karunashankar Vora**

Chief Financial Officer

**Kinjal Sheth**

Company Secretary

Place : Jhagadia

Date : 30/05/2019

**CORPORATE INFORMATION**

**SHREE RAJESHWARANAND PAPER MILLS LTD** (the Company) is a public limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at SURVEY NO. 451-B, BHARUCH JHAGADIA ROAD, VILLAGE - GOVALI, TALUKA - JHAGADIA, DIST - BHARUCH (GUJARAT) - 393 001. INDIA. The Company is engaged in Manufacturing Industry Paper & Others .

**SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 BASIS FOR PREPARATION OF ACCOUNTS**

**a) Statement of Compliance with Ind AS**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

**b) Application of New Accounting Pronouncements**

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- i. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.3
- ii. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

**c) Current versus Non-Current classification**

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

**b) Historical Cost Convention**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans - plan assets measured at fair value

**2.2 USE OF ESTIMATES**

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

### 2.3 REVENUE RECOGNITION

#### a) Sale of Goods

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### a) Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### b) Export Benefits

Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.

#### c) Dividend

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

#### d) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

#### e) Insurance Claims

Insurance claims are accounted on acceptance of the claim and when it can be measured reasonably, and it is reasonable to expect the ultimate collection.

### 2.4 FOREIGN CURRENCY TRANSACTIONS

#### a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

#### b) Transactions and Balances

i) Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balance are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the Statement of Profit and Loss.

ii) In order to hedge exposure to foreign exchange risks arising from foreign currency borrowings, the Company enters into forward contracts. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.

iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

iv) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS**

**a) Property, plant and equipment**

**i) Recognition and measurement**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

**ii) Subsequent expenditure**

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period**

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

**c) Intangible assets**

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

**2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS**

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**2.7 DEPRECIATION AND AMORTISATION**

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset net of the estimated residual values over the estimated useful life. Freehold land is not depreciated. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013, except for certain Plant & Machinery, which are determined by the management by the internal technical assessment. However in case

such assessment suggests a life significantly different from those prescribed by Schedule II - Part 'C', the useful life is assessed and certified by a technical expert.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	8 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipment	5 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Assets	Amortisation period
Software Licenses	5 years

The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

## 2.8 NON-DERIVATIVE FINANCIAL INSTRUMENTS

Financial Assets and Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than financial assets and financial liabilities valued at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of Financial Asset or Financial Liability.

### Cash and Cash Equivalents

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

### Financial Assets at Amortised cost

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

### Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

### Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial Assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs

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

### **Financial Liabilities**

Financial Liabilities are measured at amortised cost using the effective interest method.

### **Equity Investment**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

### **Loan and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### **Trade and Other Payables**

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are represented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **Derivatives and Hedging activities**

The Company uses derivative financial instruments, to hedge its interest rate and foreign currency risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any gains or losses arising from changes in fair value of derivatives are taken directly in the Statement of Profit and Loss.

The fair values of all such derivative financial instruments are recognized as assets or liabilities at the Balance Sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.

Accordingly, the resultant gains and losses on fair valuation/ settlement of the derivative contracts covered under Ind AS 109 are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the cash flow hedge is effective, the gains or losses are recognized in the "Hedge Reserve" which forms part of "Other Equity" in the Balance Sheet, while the same is recognized in the Statement of Profit and Loss where the hedge is ineffective. The amount recognized in the "Hedge Reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss.

For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized as the Profit or Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in Profit and Loss.

If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

## **2.9 INVENTORIES**

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Stores and Consumables are valued at cost or net realizable value (NRV) whichever is lower.

Waste/Scrap inventory is valued at Net Realisable Value (NRV).

NRV is estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

## 2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

## 2.11 EMPLOYEE BENEFITS

### a) Short term employee benefit obligations

Liabilities for wages, 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 services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### b) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

#### Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

### **Defined Contribution Plans**

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

## **2.12 ACCOUNTING FOR TAXES ON INCOME**

### **a) Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company : i) has legally enforceable right to set off the recognised amounts; and ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **b) Deferred Taxes**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Accordingly, in the absence of certainty of sufficient future taxable income, net deferred tax asset has not been recognised . Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally

enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company : i) has legally enforceable right to set off the recognised amounts; and ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## 2.13 PROVISIONS AND CONTINGENT LIABILITIES

### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognized in financial statements as this may result in the recognition of income that may never be realised. However, Contingent assets (if any) are disclosed in the notes to the financial statements

## 2.14 EARNING PER SHARE

### a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

**b) Diluted Earnings Per Share**

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

**2.15 CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be 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 and 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.

**2.16 STATEMENT OF CASH FLOWS**

Cash Flows are reported using the indirect method, whereby 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 of the Company are segregated.

**2.17 DIVIDEND**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**2.18 ROUNDING OFF**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

**2.19 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

**2.20 EVENTS OCCURRING AFTER THE REPORTING DATE**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**2.21 OPERATING CYCLE**

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

**2.22 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

**a) Ind AS 116, Leases:**

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability

and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1<sup>st</sup> April, 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Company is assessing the disclosure requirements of the amendment and the effect on its financial statements.

**b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1<sup>st</sup> April, 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

**c) Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply these amendments for annual reporting periods beginning on or after 1<sup>st</sup> April, 2019. The impact on the Financial Statements is being evaluated.

# Shree Rajeshwaranand Paper Mills Limited

## NOTE 3: PROPERTY, PLANT & EQUIPMENT

(in ₹)

For the Year Ended 31st March, 2019.

S. Particulars N.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.18	Addition during the year	Deduction during the year	As on 31.03.19	As on 01.04.18	Depreciation for the year	Deduction/ Written Back during the year	As on 31.03.19	As on 31.03.19	As on 31.03.19	
1 Land	32,78,417	-	-	32,78,417	-	-	-	-	32,78,417	32,78,417	
2 Office Premises	8,00,000	-	-	8,00,000	-	-	-	-	8,00,000	8,00,000	
3 Residential Building	15,89,705	-	-	15,89,705	1,23,653	62,250	-	1,85,903	14,03,802	14,66,052	
4 Building	5,22,08,283	25,51,337	-	5,47,59,620	38,62,879	20,00,601	-	58,63,480	4,88,96,140	4,83,45,404	
<b>5 Plant &amp; Machinery (Paper)</b>											
Pulp Section	7,84,45,866	1,34,62,200	-	9,19,08,066	2,05,55,335	1,01,84,984	-	3,07,40,319	6,11,67,747	5,78,90,531	
Paper Machine Section	25,42,60,729	55,48,936	-	25,98,09,665	7,29,47,808	3,42,03,380	-	10,71,51,188	15,26,58,477	18,13,12,921	
Boiler	65,33,749	19,28,359	-	84,62,108	18,82,760	9,35,050	-	28,17,810	56,44,298	46,50,989	
Finishing Section	18,01,950	12,50,000	-	30,51,950	10,47,220	5,95,474	-	16,42,694	14,09,256	7,54,730	
Electrifications	47,81,738	1,01,886	-	48,83,624	6,85,270	5,99,860	-	12,85,130	35,98,494	40,96,468	
Utility	1,19,18,504	95,343	-	1,20,13,847	36,99,651	18,66,030	-	55,65,681	64,48,166	82,18,853	
ETP	64,30,236	-	-	64,30,236	17,58,514	9,12,377	-	26,70,891	37,59,345	46,71,722	
<b>6 Plant &amp; Machinery (Tools)</b>											
Main Machine Section	12,33,92,815	1,06,97,993	-	13,40,90,808	2,58,23,256	1,63,13,049	-	4,21,36,305	9,19,54,503	9,75,69,559	
Finishing Section	7,41,654	-	-	7,41,654	1,19,182	88,108	-	2,07,290	5,34,364	6,22,472	
Electrification	9,81,261	2,27,043	-	12,08,304	2,16,024	1,46,424	-	3,62,448	8,45,856	7,65,237	
Utility	-	1,20,350	-	1,20,350	-	13,324	-	13,324	1,07,026	-	
Laboratory Equipment	19,89,765	2,97,500	-	22,87,265	4,02,422	2,26,144	-	6,28,566	16,58,699	15,87,343	
Furniture	12,38,423	10,13,993	-	22,52,416	2,85,886	2,06,992	-	4,92,878	17,59,538	9,52,537	
Office Equipment	8,49,005	50,000	-	8,99,005	4,44,936	2,10,755	-	6,55,691	2,43,314	4,04,069	
Computer	6,92,266	78,882	-	7,71,148	5,49,058	65,630	-	6,14,688	1,56,460	1,43,208	
10 Vehicle	28,74,950	16,78,548	2,96,076	42,57,422	10,44,762	6,76,849	2,80,992	14,40,619	28,16,803	18,30,188	
<b>Total</b>	<b>55,48,09,316</b>	<b>3,91,02,370</b>	<b>2,96,076</b>	<b>59,36,15,610</b>	<b>13,54,48,616</b>	<b>6,93,07,281</b>	<b>2,80,992</b>	<b>20,44,74,905</b>	<b>38,91,40,705</b>	<b>41,93,60,700</b>	

## NOTE 4: CAPITAL WORK IN PROGRESS

(in ₹)

For the Year Ended 31st March, 2019.

S. Particulars N.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.18	Addition during the year	Deduction during the year	As on 31.03.19	As on 01.04.18	Depreciation for the year	Deduction/ Written Back during the year	As on 31.03.19	As on 31.03.19	As on 31.03.19	
1 Capital Work in Progress	41,21,828	3,99,01,003	3,91,42,320	48,80,511	-	-	-	-	48,80,511	41,21,828	
	41,21,828	3,99,01,003	3,91,42,320	48,80,511	-	-	-	-	48,80,511	41,21,828	

## NOTE 5: OTHER INTANGIBLE ASSETS

(in ₹)

For the Year Ended 31st March, 2019.

S. Particulars N.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.18	Addition during the year	Deduction during the year	As on 31.03.19	As on 01.04.18	Depreciation for the year	Deduction/ Written Back during the year	As on 31.03.19	As on 31.03.19	As on 31.03.19	
1 Computer Software	12,61,852	39,950	-	13,01,802	5,14,545	2,77,914	-	7,92,459	5,09,343	7,47,307	
	12,61,852	39,950	-	13,01,802	5,14,545	2,77,914	-	7,92,459	5,09,343	7,47,307	

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Particulars	Year ended March 31, 2019 (`)	Year ended March 31, 2018 (`)
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**NOTE 6: OTHERS NON CURRENT ASSETS****I. Unsecured, Considered good**

a. Capital Advances	1,32,22,993	1,62,35,454
b. Others		
<b>Total</b>	<b><u>1,32,22,993</u></b>	<b><u>1,62,35,454</u></b>

**NOTE 7: INVENTORIES****a. Raw materials****Paper Division**

- Indian Waste Paper	5,44,38,121	2,16,56,942
- Imported Waste Paper	52,52,084	37,54,247

**Tools Division**

- Indian Diamond Powder & Others	1,70,90,635	1,06,41,989
- Imported Diamond Powder	1,60,33,402	1,64,24,451

**b. Colours & Chemicals**

29,02,897	13,34,512
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**c. Work in Progress**

Paper Division	35,36,967	25,84,594
Tools Division	89,90,500	94,25,684

**d. Finished Goods (other than those acquired for trading purpose)**

Paper Division	3,28,64,786	47,13,955
Tools Division	2,23,39,617	2,49,15,873

**e. Packing Material**

Paper Division	10,94,996	6,61,902
Tools Division	9,63,613	9,89,465

**f. Stores and Spares**

Paper Division	2,02,23,428	2,45,76,031
Tools Division	24,12,715	24,09,905

**g. Fuel**

1,31,76,755	62,92,705
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**h. Stock In Trade**

1,97,67,853	2,15,24,188
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<b>Total</b>	<b><u>22,10,88,369</u></b>	<b><u>15,19,06,442</u></b>
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Note : For method of valuation of inventory refer Note No 2.9

**NOTE 8: FINANCIAL ASSETS : TRADE RECEIVABLES**

Unsecured, Considered good	46,72,44,204	46,54,46,009
Trade Receivables which have significant increase in credit risk	-	-
Less: Provision For Trade Receivables Credit Impaired	<u>(44,62,044)</u>	<u>(40,31,933)</u>
<b>Total</b>	<b><u>46,27,44,204</u></b>	<b><u>46,14,14,076</u></b>

**Notes :**

- i. The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.
- ii. Trade Receivables are non-interest bearing and are generally on terms of 45 to 90 days
- iii. Refer Note - 34 for information about Credit Risk and Market Risk of Trade Receivables.
- iv. There are no outstanding dues from directors or other officers of the Company.

## Shree Rajeshwaranand Paper Mills Limited

Particulars	Year ended March 31, 2019 (`)	Year ended March 31, 2018 (`)
<b>NOTE 9: FINANCIAL ASSETS : CASH &amp; CASH EQUIVALENTS</b>		
- Balances with Banks in Current Accounts	13,211	2,17,842
- Cash on hand	1,69,917	1,18,383
<b>Total</b>	<b><u>1,83,127</u></b>	<b><u>3,36,225</u></b>

### NOTE 10: FINANCIAL ASSETS : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

- Fixed Deposits with maturity of more than three months but less than 12 months (Refer Note Below)	2,24,96,656	2,20,57,491
<b>Total</b>	<b><u>2,24,96,656</u></b>	<b><u>2,20,57,491</u></b>

Notes : Fixed Deposit of Rs 2,24,96,656/- as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 2,20,57,491/-) as lien against borrowing with State Bank of India.

### NOTE 11: FINANCIAL ASSETS : OTHERS (CURRENT)

#### Unsecured, Considered good

- Security Deposits	6,14,222	4,73,222
- Interest Receivable	-	3,96,709
<b>Total</b>	<b><u>6,14,222</u></b>	<b><u>8,69,931</u></b>

### NOTE 12: OTHER CURRENT ASSETS

#### Unsecured, Considered Good:

#### Advances other than capital advances

- Advances to Suppliers / Expense	13,63,65,990	12,31,46,890
- Advances to Employees	2,59,758	1,56,342

#### Others

- Prepaid Expenses	27,18,864	38,01,781
- Preliminary Expense	-	4,75,885
- <b>Balances With Revenue / Government Authorities</b>		
Sales Tax (2005-06)	30,00,000	30,00,000
Sales Tax (2014-15)	82,864	82,864
Excise	-	-
GST	1,38,26,505	80,13,839
<b>Total</b>	<b><u>15,62,53,981</u></b>	<b><u>13,86,77,601</u></b>

Particulars	Year ended March 31, 2019 ( <sup>₹</sup> )	Year ended March 31, 2018 ( <sup>₹</sup> )
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**NOTE 13: EQUITY SHARE CAPITAL****Authorised Capital :**

1,30,00,000 (PY:1,30,00,000) Equity Shares of ` 10/- each.	13,00,00,000	13,00,00,000
<b>Total</b>	<b><u>13,00,00,000</u></b>	<b><u>13,00,00,000</u></b>

**Issued, Subscribed and Fully Paid up :****Equity Share Capital**

1,24,50,000 (PY:1,24,50,000) Equity Shares of ` 10/- each fully paid up.	12,45,00,000	12,45,00,000
<b>Total</b>	<b><u>12,45,00,000</u></b>	<b><u>12,45,00,000</u></b>

**a. Reconciliation of the number of shares outstanding :**

Number of Shares at the beginning of the year	1,24,50,000	1,24,50,000
Add: Shares issued	-	-
Less: Shares Forfeited	-	-
Number of Shares at the end of the year	<b><u>1,24,50,000</u></b>	<b><u>1,24,50,000</u></b>

**b. Rights, Preferences and restrictions attached to shares**

The company has one class of equity shares having a par value Re 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**c. Shareholders holding more than 5% of Equity Shares:**

13,79,895(11.08%) {P.Y.13,79,895(11.08%)} Equity Shares of Rs.10/- each held by Mr.Udayan D. Velvan.

Particulars	Note No.	Year ended March 31, 2019 ( <sup>₹</sup> )	Year ended March 31, 2018 ( <sup>₹</sup> )
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**NOTE 14: FINANCIAL LIABILITIES :****NON CURRENT BORROWINGS****Secured Borrowings:****a. Term Loans****from banks**

- SBI Corporate Loan - II	14.1	-	-
- SBI Corporate Loan - II (Foreign Currency)	14.2	-	-
- Bank of India - Paper Division	14.3	3,66,18,604	6,18,22,070
- Bank of India - Paper Division (New)	14.4	1,88,78,095	2,09,31,807
- Bank of India - Tool Division	14.5	2,48,65,875	4,20,01,812
- Bank of India - Tool Division (New)	14.6	1,86,76,448	2,23,83,142
- HDFC Bank Ltd Loader Loan (Year 2019)	14.7	1,39,625	-
- HDFC Bank Ltd Tractor Loan (Year 2019)	14.8	5,68,141	-
- HDFC Bank Ltd Eco Loan (Year 2019)	14.9	2,07,439	-

## Shree Rajeshwaranand Paper Mills Limited

Particulars	Note No.	Year ended March 31, 2019 (`)	Year ended March 31, 2018 (`)
<b>Unsecured Borrowings:</b>			
<b>a. Term Loans</b>			
<b>from banks</b>			
- Kotak Mahindra Bank Ltd	14.10	-	27,22,518
<b>from other financial institution</b>			
- Bajaj Finance Ltd (Year 2015)	14.11	-	3,25,971
- Religare Finvest Ltd (Year 2016)	14.12	-	-
- Magma Fincorp Ltd (Year 2016)	14.13	-	7,10,966
- Tata Capital Financial Services Ltd (Year 2017)	14.14	-	16,44,729
- Zen Lefin Pvt. Ltd (Year 2018)	14.15	2,04,854	5,64,822
- Bajaj Finance Ltd (Year 2018)	14.16	5,69,924	15,75,168
- IFMR Capital Finance Pvt. Ltd (Year 2018)	14.17	8,19,416	22,59,285
- Megma Fincorp Ltd (Year 2018)	14.18	9,90,548	27,43,999
- Edelweiss Retail Finance Ltd (Year 2018)	14.19	8,14,810	22,51,877
- Capital First Ltd (Year 2018)	14.20	8,40,345	23,11,731
- Tata Capital Financial Services Ltd (Year 2019)	14.21	24,81,200	-
- Capital Float Financial Services (Year 2019)	14.22	34,69,872	-
<b>b. Deposits</b>			
- Intercompany deposits	14.23	5,56,79,222	5,37,66,623
<b>c. Loans and advances from Related Parties</b>			
	14.24	82,91,067	49,72,778
<b>Total</b>		<b><u>17,41,15,484</u></b>	<b><u>22,29,89,297</u></b>

### Secured Long Term Borrowings

14.1 [a] Loan from State Bank of India is secured by:

- First Pari-passu charge by way of hypothecation over entire movable fixed assets of the company for both Paper & Tools division along with Bank of India.
- First Pari-passu by way of registered mortgage with Bank of India over additional immovable property (Factory building and civil construction) created out of proposed projects for Paper & Tools Division.
- First Pari-passu charge by way of registered mortgage over Factory land & Building belonging to the company situated at Plot no. 442/B admeasuring 82216 sq. mtrs. & plot no. 451/B admeasuring 79662 sq. mtrs. at RS no. 206,238,239,240,294m & 295 at village: Govali. Jhagadia-Bharuch Road, Gujarat with Bank of India
- First Pari-passu charge by way of registered mortgage over office cum residential premises belonging to the company admeasuring 777.00 square ft situated at No.1002,10th floor, "Samudra Annex" Plot No. 322, TPS No.3, Village: Changisapur, Ahmedabad, Gujarat with Bank of India.
- Lien on FDR of Rs.30.00 Lacs in the name of company.
- Pledge of 3,03,000 shares of the company in the name of Mr. Prakash Vora/Udayan Velvan.
- Extension of second charge on entire current assets of the company of the Tools division of the company.
- Personal guarantee of the directors Mr.Prakash Vora and Mr.Udayan Velvan. The Loan has been converted into USD Loan. There is outstanding of Rs. 3,42,911 as on 31.03.2019 which will be repaid in next financial year. The interest rate is MCLR+4.60%=13.70% (br=9.10%).

14.1 [b] There was no default in repayment of this loan.

14.2 [a] Term Loan in foreign currency (USD) has been converted from the term loan with State bank of India. It is Secured by:

- First Pari-passu Charge by way of hypothecation over entire movable fixed assets of the company for both Paper & Tools division along with Bank of India.
- First Pari-passu Charge by way of registered mortgage with Bank of India over additional immovable property (Factory building and civil construction) to be created out of proposed projects for Paper & Tools Division.

- c) First Pari-passu charge by way of registered mortgage over Factory land & Building belonging to the company situated at Plot no. 442/B admeasuring 82216 sq. mtrs. & plot no. 451/B admeasuring 79692 sq. mtrs. at RS no. 206,238,239,240,294 & 295 at village: Govali. Jhagadia-Bharuch Road, Gujarat with Bank of India
- d) First Pari-passu charge by way of registered mortgage over office cum residential premises belonging to the company admeasuring 777.00 square ft situated at No.1002,10th floor, "Samudra Annex" Plot No. 322, TPS No.3, Village: Changispur, Ahmedabad, Gujarat with Bank of India.
- e) Lien on FDR of Rs.30.00 Lacs in the name of company.
- f) Pledge of 3,03,000 shares of the company in the name of Mr. Prakash Vora/Udayan Velvan.
- g) Extension of second charge on entire current assets of the company of the Tools division of the company.
- h) Personal guarantee of the directors Mr.Prakash Vora and Mr.Udayan Velvan. The loan as on March 31, 2019. is fully repaid.

14.2 [b] There was no default in repayment of this loan.

14.3 [a] Loan from Bank of India (Paper Division) is secured by:

- a) First Pari Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Paper Division).
- b) First Pari Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Tools Division).
- c) First Pari Passu over Land & Building situated at RS No. 451B, 442B of Mouje Village Govali sim, Taluka Jhagadia; and RS No 206,238,239,240,294 & 295 of Mouje Village Mulad sim, Ta: Jhagadia in the name of the company on which business is carried out.
- d) First Pari Passu charge over existing plant & machinery of the company.
- e) First charge on Stocks of Tool Divisions.
- f) First charge on Book Debts of Tools Division.
- g) First Pari Passu charge over office situated at no. 1002, 10th floor, Samudra Annex, Plot No. 322 TPS No.3, Village Changispur, Ahmedabad
- h) Second Charge over current assets of Paper Division.

Repayment Schedule :

- a) from June 2015 to May 2016, 12 monthly installments of Rs.4.89 Lacs each
- b) from June 2016 to May 2017, 12 monthly installments of Rs. 9.80 Lacs each.
- c) from June 2017 to May 2018, 12 monthly installments of Rs.14.48 Lacs each.
- d) from June 2018 to May 2019, 12 monthly installments of Rs.19.58 Lacs each.
- e) from June 2019 to May 2020, 12 monthly installments of Rs.24.48 Lacs each.
- f) from June 2020 to October 2020, 5 monthly installments of Rs.53.42 Lacs each and last installment for November 2020 of Rs. 26.74 lacs. The interest rate is  $br+3.30\%=11.95\%$  ( $br=8.65\%$ )

14.3 [b] There was instances of delay in repayment of installment in this loan.

14.4 [a] Bank of India - Paper Division (New)

- a) First Pari Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Paper Division).
- b) First Pari Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Tools Division).
- c) First Pari Passu over Land & Building situated at RS No. 451B, 442B of Mouje Village Govali sim, Taluka Jhagadia; and RS No 206,238,239,240,294 & 295 of Mouje Village Mulad sim, Ta: Jhagadia in the name of the company on which business is carried out.
- d) First Pari Passu charge over existing plant & machinery of the company.
- e) First charge on Stocks of Tool Divisions.
- f) First charge on Book Debts of Tools Division.
- g) First Pari Passu charge over office situated at no. 1002, 10th floor, Samudra Annex, Plot No. 322 TPS No.3, Village Changispur, Ahmedabad
- h) Second Charge over current assets of Paper Division.
- i) Repayment Schedule :Repayable in 66 monthly installments of Rs.8.87 Lacs each commencing from April 2019.
- j) interest to be serviced as and when charged in the account during and after the moratorium

## Shree Rajeshwaranand Paper Mills Limited

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period. The interest rate is 2.70% above BOI MCLR (i.e. 8.95%) plus BSS (0.30%) i.e applicable ROI of 11.95%p.a. with monthly rests.

14.4 [b] There was instances of delay in repayment of installment in this loan.

14.5 [a] Loan from Bank of India (Tools Division) is secured by:

- a) First Pari-Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Paper Division).
- b) First Pari-Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Tools Division).
- c) First Pari Passu Charge over Land & Building situated at RS No. 451B, 442B of Mouje Village Govali sim, Taluka Jhagadia; and RS No 206,238,239,240,294 & 295 of Mouje Village Mulad sim, Ta: Jhagadia in the name of the company on which business is carried out.
- d) First Pari Passu charge over existing plant & machinery of the company.
- e) First charge on Stocks of Tool Divisions.
- f) First charge on Book Debts of Tools Division.
- g) First Pari Passu charge over office situated at no. 1002, 10th floor, Samudra Annex, Plot No. 322 TPS No.3, Village Changispur, Ahmedabad
- h) Second Charge over current assets of Paper Division.

Repayment Schedule

- a) from June 2015 to May 2016, 12 monthly installments of Rs.3.34 Lacs each.
- b) from June 2016 to May 2017, 12 monthly installments of Rs.6.67 Lacs each.
- c) from June 2017 to May 2018, 12 monthly installments of Rs.10.00 Lacs each.
- d) from June 2018 to May 2019, 12 monthly installments of Rs.13.33 Lacs each.
- e) from June 2019 to May 2020, 12 monthly installments of Rs.16.67 Lacs each.
- f) from June 2020 to October 2020, 5 monthly installments of Rs.36.34 Lacs each and last installment of Rs. 18.18 Lacs for November 2020. The interest rate is  $br+3.30\%=11.95\%$  (br=8.65%)

14.5 [b] There was instances of delay in repayment of installment in this loan.

14.6 [a] Bank of India - Tools Division (New)

- a) First Pari Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Paper Division).
- b) First Pari-Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Tools Division).
- c) First Pari-Passu Charge over Land & Building situated at RS No. 451B, 442B of Mouje Village Govali sim, Taluka Jhagadia; and RS No 206,238,239,240,294 & 295 of Mouje Village Mulad sim, Ta: Jhagadia in the name of the company on which business is carried out.
- d) First Pari Passu charge over existing plant & machinery of the company.
- e) First charge on Stocks of Tool Divisions.
- f) First charge on Book Debts of Tools Division.
- g) First Pari Passu charge over office situated at no. 1002, 10th floor, Samudra Annex, Plot No. 322 TPS No.3, Village Changispur, Ahmedabad
- h) Second Charge over current assets of Paper Division.
- i) Repayment Schedule: Repayable in 66 monthly installments of Rs.4.94 Lacs each commencing from April 2019.
- j) interest to be serviced as and when charged in the account during and after the moratorium period. The interest rate is 2.70% above BOI MCLR (i.e. 8.95%) plus BSS (0.30%) i.e applicable ROI of 11.95%p.a. with monthly rests.

14.6 [b] There was instances of delay in repayment of installment in this loan.

14.7 [a] Loan from HDFC Bank for Loader is secured by hypothecation of Loader. As at 31st March 2019, it is payable in 39 equal monthly installments of Rs 6,128/- (Including Interest). The flat Interest rate is 8.43%

14.7 [b] There has been no default in repayment of the loan

14.8 [a] Loan from HDFC Bank for Tractor is secured by hypothecation of Vehicle. As at 31st March 2019, it is payable in 39 equal monthly installments of Rs 24,936/- (Including Interest). The flat Interest rate is 8.43%

14.8 [b] There has been no default in repayment of the loan

14.9 [a] Loan from HDFC Bank for Eco is secured by hypothecation of vehicle. As at 31st March 2019, it is

payable in 28 equal monthly installments of Rs 13,927/- (Including Interest). The Interest rate is 10.25%

14.9[b] There has been no default in repayment of the loan

#### **Unsecured Long Term Borrowings**

14.10[a] Loan from Kotak Mahindra Bank Ltd. as at 31st March, 2019 is repayable in 11 equal monthly installments of Rs.2,69,830/- (including interest). The Interest Rate is 17.65%.

14.10[b] There was no default in repayment of this loan.

14.11[a] Loan from Bajaj Finance Ltd (Year 2015) as at 31st March, 2018 is repayable in 8 equal monthly installments of Rs.43,703/- (including interest). The Interest Rate is 19.10%.

14.11[b] There was no default in repayment of this loan.

14.12[a] Loan from Religare Finvest Ltd (Year 2016) was repaid in full during the year and hence there are no installments payable as on 31st March 2019.

14.12[b] There was no default in repayment of this loan.

14.13[a] Loan from Magma Fincorp Ltd (Year 2016) as at 31st March, 2018 is repayable in 18 equal monthly installments of Rs. 1,24,350/- (including interest). The Interest Rate is 16.75%.

14.13[b] There was no default in repayment of this loan.

14.14[a] Loan from Tata Capital Finance (Year 2017) was repaid in full and hence there are no installments payable as on 31st March 2019. [b] There was no default in repayment of this loan.

14.15[a] Loan from Zen Lefin Pvt. Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 35,907 /- (including interest). The Interest Rate is 17.51%.

14.15[b] There was no default in repayment of this loan.

14.16[a] Loan from Bajaj Finance Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 99,757 /- (including interest). The Interest Rate is 17.00%.

14.16[b] There was no default in repayment of this loan.

14.17[a] Loan from IFMR Capital Finance Pvt. Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 1,43,628 /- (including interest). The Interest Rate is 17.51%.

14.17[b] There was no default in repayment of this loan.

14.18[a] Loan from Magma Fincorp Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 1,73,127 /- (including interest). The Interest Rate is 16.50%.

14.18[b] There was no default in repayment of this loan.

14.19[a] Loan from Edleweiss Finance Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 1,42,611 /- (including interest). The Interest Rate is 17.00%.

14.19[b] There was no default in repayment of this loan.

14.20[a] Loan from Capital First Ltd (Year 2018) as at 31st March, 2019 is repayable in 18 equal monthly installments of Rs. 1,47,502 /- (including interest). The Interest Rate is 18.00%.

14.20[b] There was no default in repayment of this loan.

14.21[a] Loan from Tata Capital Financial Services Pvt. Ltd (Year 2019) as at 31st March, 2019 is repayable in 24 equal monthly installments of Rs. 2,13,916/- (including interest). The Interest Rate is 17.00%.

14.21[b] There was no default in repayment of this loan.

14.22[a] Loan from Capital float Financial Services Pvt. Ltd (Year 2019) as at 31st March, 2019 is repayable in 36 equal monthly installments of Rs.1,65,808/- (including interest). The Interest Rate is 17.01%.

14.22[b] There was no default in repayment of this loan.

14.23[a] Intercorporate Deposits would not be recalled before end of two years from 31st March, 2019.

14.23[b] There is no default as the repayment is not due.

14.24[a] Loan from related parties would not be recalled before end of two years from 31st March, 2019.

14.24[b] There is no default as the repayment is not due.

## Shree Rajeshwaranand Paper Mills Limited

Particulars	As at March 31, 2019 ( <sup>-</sup> )	As at March 31, 2018 ( <sup>-</sup> )
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### NOTE 15: PROVISIONS (NON-CURRENT LIABILITIES)

#### Provision For Employee Benefits

- Gratuity (Refer Note 36)	8,34,349	97,376
<b>Total</b>	<b>8,34,349</b>	<b>97,376</b>

### NOTE 16: TAX EXPENSE

#### A. COMPONENTS OF INCOME TAX EXPENSE

##### I. Tax expense recognised in statement of profit & loss

##### Current Tax

Current year	95,02,928	1,16,75,595
Adjustments/ (Credit) related to pervious years - (net)	13,24,234	28,32,413

##### Sub-Total

<b>1,08,27,162</b>	<b>1,45,08,008</b>
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##### Deferred tax charge/ (credit)

Origination and reversal of tepemorary difference	(90,28,582)	(87,71,097)
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##### Sub-Total

<b>(90,28,582)</b>	<b>(87,71,097)</b>
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##### Total

<b>17,98,580</b>	<b>57,36,911</b>
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##### II. Tax on other comprehensive income

##### Items that will not be reclassified to Profit and Loss

Remeasurement of the Defined Benefit Plans	-	2,06,012
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##### Total

-	<b>2,06,012</b>
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#### B. RECONCILIATION OF EFFECTIVE TAX RATES

##### Profit/(loss) before tax

1,25,95,617	65,70,130
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##### Tax using the company's domestic tax rate

(Current year 27.82% and Previous year 33.063%)

35,04,101	21,72,282
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##### Expenses not deductible

17,88,243	21,93,927
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##### Expenses deductible at lower rate

-	-
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##### Income not taxable

(11,52,912)	-
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##### Excess Provision of Current year

13,24,234	28,32,413
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##### Other temporary differences including rate differences

(36,65,085)	(14,61,712)
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##### Total

<b>17,98,580</b>	<b>57,36,910</b>
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##### Effective tax rate for the year

<b>14.28%</b>	<b>87.32%</b>
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#### C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1 <sup>st</sup> April, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31 <sup>st</sup> March, 2019
<b>Deferred tax liabilities / (assets)</b>				
Property, plant and equipment	3,11,04,766	(86,05,645)	-	2,24,99,121
Forward Contract Premium	-	1,80,351	-	1,80,351
Provision for doubtful debts	(13,46,020)	1,04,679	-	(12,41,341)
Employee benefits	(32,508)	(1,99,608)	-	(2,32,116)
Deferred expenses / (income)	10,31,345	(5,08,360)	-	5,22,985
<b>Deferred tax assets/ (liabilities)</b>	<b>3,07,57,583</b>	<b>(90,28,583)</b>	-	<b>2,17,29,000</b>

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
<b>D. DEFERRED TAX LIABILITIES</b>		
<b>Deferred Tax Liabilities</b>		
Accelerated depreciation for tax purposes	2,24,99,121	3,11,04,766
Other items giving rise to temporary differences	7,03,336	10,31,345
	<u>2,32,02,457</u>	<u>3,21,36,111</u>
<b>Deferred Tax Assets</b>		
Provision for gratuity	2,32,116	32,508
Provision for loss allowances for doubtful debts	12,41,341	13,46,020
Other Items	-	-
	<u>14,73,457</u>	<u>13,78,528</u>
<b>NET DEFERRED TAX LIABILITIES</b>	<u>2,17,29,000</u>	<u>3,07,57,583</u>

**NOTE 17: FINANCIAL LIABILITIES :  
SHORT TERM BORROWINGS**

**Secured Borrowings:**

**a. Loan repayable on demand  
from banks**

**Cash Credit Facility**

- State Bank of India	17.1	3,09,25,565	1,93,10,887
- Bank of India	17.2	5,00,00,045	5,00,03,046
- State Bank of India (Foreign Currency)	17.3	24,18,67,400	25,54,95,422
<b>Total</b>		<u>32,27,93,010</u>	<u>32,48,09,355</u>

17.1 [a] Cash Credit Facility from State bank of India is secured by:

- a) First Charge by way of hypothecation over entire current assets such as stocks of raw materials, finished goods, stores & spares, SIP, receivables, advance payment to suppliers etc. of Paper Division of the company.
- b) Lien on FDR of Rs.30.00 lacs in the name of company.
- c) Pledge of 3,03,000 shares of the company in the name of Mr. Prakash Vora / Udayan Velvan.
- d) Second charge on entire current assets of tools division of the company.
- e) Second Pari Passu charge over company's movable and immovable fixed assets.
- f) Personal guarantee of the directors Mr.Prakash Vora and Mr.Udayan Velvan.

17.1 [b] The loan is repayable on demand. The interest rate is 2.75% above the MCLR (i.e.12.60%).

17.2 [a] Loan from Bank of India is secured by:

- a) First Pari-Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Paper Division).
- b) First Pari-Passu Charge over Machinery, Utilities, Civil Construction, Site Development (Tools Division).
- c) First Pari-Passu Charge over Land & Building situated at RS No. 451B, 442B of Mouje Village Govali sim, Taluka Jhagadia and RS No. 206, 238, 239, 240, 294 & 295 of Mouje Village Muluad sim, Ta: Jhagadia in the name of the Company.
- d) First Pari-Passu charge over existing plant & machinery of the company.
- e) First charge on Stocks of Tool Divisions.
- f) First charge on Book Debts of Tools Division.
- g) First Pari-Passu Charge over office situated at no. 1002, 10th floor, Samudra Annex, Plot No. 322 TPS No.3, Village Changisapur, Ahmedabad.
- h) Second Charge over current assets of Paper Division.

17.2[b] The loan is repayable on demand. The interest rate is 2.88% above the base rate (i.e.12.40%).

17.3 [a] Working Capital Loan in foreign currency (USD) from State Bank of India has been converted from the cash credit facility available with the bank. It is secured by:

## Shree Rajeshwaranand Paper Mills Limited

- a) First Charge by way of hypothecation over entire current assets such as stocks of raw materials, finished goods, stores & spares, SIP, receivables, advance payment to suppliers etc. of Paper Division of the company.
- b) Lien on FDR of Rs.30.00 lacs in the name of company.
- c) Pledge of 3,03,000 shares of the company in the name of Mr. Prakash Vora/Udayan Velvan.
- d) Second charge on entire current assets of tools division of the company.
- e) Second Pari Passu charge over company's movable and immovable fixed assets.
- f) Personal guarantee of the directors Mr.Prakash Vora and Mr.Udayan Velvan.
- 17.3 [b] The loan is repayable in June 2019 of USD 30,43,000/- and in July 2019 USD 4,30,000. The interest rate is 4.00% over LIBOR.

Particulars	Year ended March 31, 2019 ( <sup>^</sup> )	Year ended March 31, 2018 ( <sup>^</sup> )
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### NOTE 18: FINANCIAL LIABILITIES : TRADE PAYABLES

#### Trade Payables

- Due to Small and Micro Enterprises	3,42,767	-
- Other than Micro and Small Enterprises		
i. To Subsidiaries	-	-
ii. To Others	16,55,93,651	9,29,60,875
<b>Total</b>	<b>16,59,36,418</b>	<b>9,29,60,875</b>

- i. Based on the information in possession with the Company, supplier totalling to Rs. NIL/- has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act").
- ii. The Company has called for balance confirmation of Trade Payables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Payables are subject to confirmation.
- iii. Trade Payables includes amount due to Related Parties NIL as at 31st March 2019. (Previous Year as at 31st March 2018 NIL)

Particulars	Note No.	Year ended March 31, 2017 ( <sup>^</sup> )	Year ended March 31, 2018 ( <sup>^</sup> )
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### NOTE 19: FINANCIAL LIABILITIES : OTHERS (CURRENT)

#### a. Current maturities of Long Term Debt (Secured)

- SBI Corporate Loan-II	14.1	3,42,911	1,956
- SBI Corporate Loan-II (Foreign Currency)	14.2	-	1,35,88,137
- Bank of India - Paper Division	14.3	2,83,96,000	2,20,26,000
- Bank of India - Paper Division (New)	14.4	1,06,44,000	1,06,44,000
- Bank of India - Tool Division	14.5	1,93,36,000	1,49,97,000
- Bank of India - Tools Division (New)	14.6	59,28,000	59,28,000
- HDFC Bank Ltd Loader Loan (Year 2019)	14.7	48,485	-
- HDFC Bank Ltd Tractor Loan (Year 2019)	14.8	1,97,278	-
- HDFC Bank Ltd Tractor Loan (Year 2019)	14.9	1,38,055	-

#### b. Current maturities of Long Term Debt (Unsecured)

- Kotak Mahindra Bank	14.10	27,22,518	25,12,208
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Particulars	Note No.	Year ended March 31, 2017 (₹)	Year ended March 31, 2018 (₹)
<b>c. Current maturities of Long Term Debt (Unsecured)</b>			
- Bajaj Finance Ltd (Year 2015)	14.11	3,25,971	5,43,417
- Religare Finvest Ltd. (Year 2016)	14.12	-	15,77,333
- Magma Fincorp Ltd (Year 2016)	14.13	7,10,966	12,56,236
- Tata Capital Financial Services Ltd (Year 2017)	14.14	-	16,79,318
- Zen Lefin Pvt. Ltd (Year 2018)	14.15	3,59,967	3,02,529
- Bajaj Finance Ltd (Year 2018)	14.16	10,05,244	8,49,102
- IFMR Capital Finance Pvt. Ltd (Year 2018)	14.17	14,39,869	12,10,116
- Megma Fincorp Ltd ( Year 2018)	14.18	17,53,451	14,88,415
- Edelweiss Retial Finance Ltd (Year 2018)	14.19	14,37,067	12,13,850
- Capital First Ltd ( Year 2018)	14.20	14,71,386	12,30,647
- Tata Capital Financial Services Ltd (Year 2019)	14.21	19,60,032	-
- Capital Float Financial Services (Year 2019)	14.22	11,80,128	-
<b>d. Interest Accrued and due on Borrowings</b>			
- SBI Corporate Loan - II		-	186
- SBI Corporate Loan - II (Foreign Currency)		-	77,693
- Bank of India Paper Division		-	8,25,250
- Bank of India - Paper Division (New)		-	3,27,621
- Bank of India Tools Division		-	5,67,635
- Bank of India - Tools Division (New)		-	2,79,805
<b>e. Interest Accrued but not due on Borrowings</b>			
- HDFC Tractor Loader Loan (Year 2019)		2,054	-
- HDFC Bank Ltd Tractor Loan (Year 2019)		8,361	-
- HDFC Bank Ltd Tractor Loan (Year 2019)		2,477	-
- Kotak Mahindra Bank		24,497	69,413
- Bajaj Finance Ltd (Year 2015)		4,829	12,434
- Religare Finvest Ltd. ( Year 2016 )		-	21,370
- Magma Fincorp Ltd. ( Year 2016 )		7,363	21,259
- Tata Capital Financial Services Ltd (Year 2017)		-	35,644
- Zen Lefin Pvt. Ltd (Year 2018)		7,444	11,431
- Bajaj Finance Ltd (Year 2018)		20,875	31,020
- IFMR Capital Finance Pvt. Ltd (Year 2018)		29,776	45,725
- Megma Fincorp Ltd ( Year 2018)		27,993	45,054
- Edelweiss Retial Finance Ltd (Year 2018)		29,844	41,179
- Capital First Ltd ( Year 2018)		25,727	42,852
- Tata Capital Financial Services Ltd (Year 2019)		44,652	-
- Capital Float Financial Services (Year 2019)		-	-
- Inter Corporate Deposits & Others		1,28,02,467	1,12,06,787
<b>f. Others</b>			
- Security Deposits from Dealer		14,53,22,260	11,34,77,000
- Derivatives Liability		67,41,257	16,79,160
<b>Total</b>		<b><u>24,44,99,205</u></b>	<b><u>20,98,66,782</u></b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

## Shree Rajeshwaranand Paper Mills Limited

Particulars	As at March 31, 2019 (`)	As at March 31, 2018 (`)
<b>NOTE 20: OTHER CURRENT LIABILITIES</b>		
<b>Creditors for Capital goods</b>	66,54,091	70,69,696
<b>Others</b>		
- <b>Statutory Dues</b>		
TDS	10,62,364	10,73,009
VAT & CST & GST	96,127	22,62,747
Profession Tax	18,190	15,790
Salary Payable	65,14,044	27,17,331
Advance from customers	5,26,010	3,25,748
Others Liabilities	1,09,16,182	1,38,41,662
<b>Total</b>	<b><u>2,57,87,008</u></b>	<b><u>2,73,05,984</u></b>
<b>NOTE 21: PROVISIONS (CURRENT)</b>		
<b>Provision for Employee Benefits</b>		
- Provision for Bonus	13,05,146	10,82,205
- Provision for Provident Fund	3,94,952	3,44,792
<b>Total</b>	<b><u>17,00,098</u></b>	<b><u>14,26,997</u></b>
<b>NOTE 22 : CURRENT TAX LIABILITIES (NET)</b>		
Provision For Taxation	95,02,928	1,16,75,595
Less: TDS / TCS Receivable/Advance Tax	(27,08,189)	(26,38,160)
Less: MAT Credit Availment	-	-
<b>Total</b>	<b><u>67,94,739</u></b>	<b><u>90,37,435</u></b>
<b>NOTE 23 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Revenue from Sale of Products	1,33,10,15,822	1,12,35,76,468
<b>Total of Sale of Products</b>	<b><u>1,33,10,15,822</u></b>	<b><u>1,12,35,76,468</u></b>
<b>Total Revenue from Operations</b>	<b><u>1,33,10,15,822</u></b>	<b><u>1,12,35,76,468</u></b>
<b>CONTRACTS WITH CUSTOMER DISAGGREGATED</b>		
<b>Revenue from contracts with customers disaggregated based on types of goods</b>		
Paper	1,32,56,01,199	1,01,08,38,082
Tools	54,14,622	11,27,38,385
<b>Total</b>	<b><u>1,33,10,15,822</u></b>	<b><u>1,12,35,76,468</u></b>
<b>NOTE 24 : OTHER INCOME</b>		
Interest Income	1,21,43,065	13,60,823
Gain on Foreign Currency Transactions	-	1,777
<b>Other Non - Operating Income:</b>		
- Duty Drawback	2,034	8,977
<b>Total</b>	<b><u>1,21,45,099</u></b>	<b><u>13,71,577</u></b>

Particulars	Year ended March 31, 2019 ( <sup>^</sup> )	Year ended March 31, 2018 ( <sup>^</sup> )
<b>NOTE 25 : COST OF MATERIALS CONSUMED</b>		
<b><u>Indian Waste Paper Consumption</u></b>		
Opening Stock	2,16,56,942	98,54,337
Add: Purchases	67,50,72,891	47,12,00,848
Less: Closing Stock	(5,44,38,121)	(2,16,56,942)
<b>Sub - Total</b>	<b><u>64,22,91,712</u></b>	<b><u>45,93,98,244</u></b>
<b><u>Imported Waste Paper Consumption</u></b>		
Opening Stock	37,54,247	-
Add: Purchases	12,01,94,081	4,95,77,733
Less: Closing Stock	(52,52,084)	(37,54,247)
<b>Sub - Total</b>	<b><u>11,86,96,244</u></b>	<b><u>4,58,23,486</u></b>
<b><u>Colour &amp; Chemical Consumption</u></b>		
Opening Stock	13,34,512	19,07,880
Add: Purchases	3,94,30,731	2,62,06,922
Less: Closing Stock	(29,02,897)	(13,34,512)
<b>Sub - Total</b>	<b><u>3,78,62,346</u></b>	<b><u>2,67,80,290</u></b>
<b><u>Indian Diamond Powder &amp; Other Material Consumption</u></b>		
Opening Stock	1,05,14,279	63,56,654
Add: Purchases	80,54,260	59,75,755
Less: Closing Stock	(1,70,90,635)	(1,06,41,989)
<b>Sub - Total</b>	<b><u>14,77,904</u></b>	<b><u>16,90,419</u></b>
<b><u>Imported Diamond Powder Consumption</u></b>		
Opening Stock	1,64,24,451	1,65,77,845
Add: Purchases	1,22,204	-
Less: Closing Stock	(1,60,33,402)	(1,64,24,451)
<b>Sub - Total</b>	<b><u>5,13,253</u></b>	<b><u>1,53,394</u></b>
<b>Total</b>	<b><u>80,08,41,459</u></b>	<b><u>53,38,45,833</u></b>
<b>NOTE 26- PURCHASE OF STOCK-IN-TRADE</b>		
Stock-in-Trade	-	11,69,68,143
<b>Total</b>	<b><u>-</u></b>	<b><u>11,69,68,143</u></b>
<b>NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stocks:</b>		
Finished Goods	2,96,29,828	5,14,02,416
Work-in-Progress	1,20,10,278	1,01,94,301
Stock In Trade	2,15,24,188	2,06,36,827
<b>Sub - Total</b>	<b><u>6,31,64,294</u></b>	<b><u>8,22,33,544</u></b>
<b>Less: Closing Stocks:</b>		
Finished Goods	5,52,04,403	2,96,29,828
Work-in-Progress	1,25,27,467	1,20,10,277
Stock In Trade	1,97,67,853	2,15,24,188
<b>Sub - Total</b>	<b><u>8,74,99,723</u></b>	<b><u>6,31,64,294</u></b>
<b>Total</b>	<b><u>(2,43,35,429)</u></b>	<b><u>1,90,69,249</u></b>

## Shree Rajeshwaranand Paper Mills Limited

Particulars	Year ended March 31, 2019 (₹)	Year ended March 31, 2018 (₹)
<b>NOTE 28 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	4,12,67,339	3,58,30,211
Directors Remuneration	30,00,000	30,00,000
Bonus	13,79,441	10,82,205
Gratuity (Refer Note 37)	7,95,226	7,44,960
Contribution to Provident and Other Funds	25,50,365	23,22,488
Staff Welfare Expenses	24,30,596	14,91,096
<b>Total</b>	<b>5,14,22,967</b>	<b>4,44,70,959</b>
<b>NOTE 29 : FINANCE COST</b>		
Interest	6,44,40,700	6,01,90,456
Bank Charges & Commission	1,35,75,213	1,14,48,661
Net Loss on Foreign Currency Transactions	(41,44,185)	1,69,14,411
Premium on Forward Contract	1,70,60,627	7,14,201
<b>Total</b>	<b>9,09,32,355</b>	<b>8,92,67,728</b>
<b>NOTE 30 : OTHER EXPENSES</b>		
<b>Consumption of Stores and Spares</b>		
<b>Paper Division</b>		
Opening Stock	2,45,76,031	2,44,70,299
Add:Purchases	1,02,69,154	1,02,02,680
Less: Closing Stock	(2,02,23,428)	(2,45,76,031)
<b>Sub - Total</b>	<b>1,46,21,757</b>	<b>1,00,96,948</b>
<b>Tools Division</b>		
Opening Stock	24,09,905	6,82,863
Add:Purchases	19,85,497	48,30,683
Less: Closing Stock	(24,12,715)	(24,09,905)
<b>Sub - Total</b>	<b>19,82,687</b>	<b>31,03,641</b>
<b>Packaging Materials consumed</b>		
<b>Paper Division</b>		
Opening Stock	6,61,902	22,41,795
Add:Purchases	1,51,81,475	1,18,91,940
Less: Closing Stock	(10,94,996)	(6,61,902)
<b>Sub - Total</b>	<b>1,47,48,381</b>	<b>1,34,71,834</b>
<b>Tools Division</b>		
Opening Stock	9,89,465	6,38,935
Add:Purchases	77,410	8,28,165
Less: Closing Stock	(9,63,613)	(9,89,465)
<b>Sub - Total</b>	<b>1,03,262</b>	<b>4,77,635</b>
<b>Fuel Consumption</b>		
Opening Stock	62,92,705	42,20,670
Add:Purchases	6,90,34,733	4,42,16,827
Less: Closing Stock	(1,31,76,755)	(62,92,705)
<b>Sub - Total</b>	<b>6,21,50,683</b>	<b>4,21,44,792</b>
Power Charges	15,50,29,675	13,09,03,305
Labour Charges	56,48,953	72,19,116
Carriage Inward	48,761	88,526
Factory Expenses	26,18,330	19,46,465
Felt & Wire Consumption	49,72,534	31,84,537

Particulars	Year ended March 31, 2019 ( <sup>-</sup> )	Year ended March 31, 2018 ( <sup>-</sup> )
<b><u>Repairs and Maintenance of :</u></b>		
Buildings	2,02,416	1,24,614
Plant and Machinery	77,65,694	48,36,465
Others	2,76,206	38,329
Discount & Commission	4,83,13,484	1,29,52,097
Vehicle Expenses	15,96,529	21,75,246
Carriage Outward	1,03,61,954	16,32,264
AMC Charges	3,52,904	2,55,926
Lodging & Boarding - Refreshment A/C	1,13,149	90,224
Water Charges	3,09,100	2,61,700
Insurance	29,75,532	17,69,867
<b><u>Rates &amp; Taxes :</u></b>		
Sales Tax 2% VAT Reduction	-	4,10,028
Sales Tax	-	6,80,875
Service Tax	1,33,302	-
Profession Tax	2,400	2,400
Property Tax	74,595	4,02,916
<b><u>Payment to Auditors</u></b>		
As Statutory Auditor	1,20,000	1,20,000
For Reimbursement of Expenses	11,193	14,108
Legal & Professional Expenses	36,51,129	31,25,580
Travelling & Conveyance	2,42,225	3,36,304
Donation	2,41,200	-
Administrative Expenses	39,655	70,306
Printing & Stationery	5,30,298	4,23,945
(Profit) / Loss on Sale of Assets	2,498	-
Office Expense	8,23,736	1,98,013
Listing Fees	2,50,000	2,87,500
AGM Expenses	11,427	6,050
Provision For Doubtful Debts (Net)	4,30,111	7,63,508
Advertisement / Other Selling Expenses	1,05,627	1,25,469
Penalty	194	1,000
Preliminary Expense Written off	4,75,885	6,66,599
Miscellaneous Expenses	2,57,464	1,10,408
<b>Total</b>	<b><u>34,21,18,756</u></b>	<b><u>24,51,52,180</u></b>

**NOTE 31: CONTINGENT LIABILITIES AND COMMITMENTS****1 Letter of Credit, Bank Guarantees and Bill Discounting**

Particulars	As at March 31, 2019	As at March 31, 2018
Performance Guarantees	<u>2,08,36,300</u>	<u>2,05,86,300</u>
<b>Total</b>	<b><u>2,08,36,300</u></b>	<b><u>2,05,86,300</u></b>

**2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2019**

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2019	As at March 31, 2018
Sales tax	F.Y 2005-06	GVAT Tribunal Ahmedabad	52,28,792	52,28,792
<b>TOTAL</b>			<b><u>52,28,792</u></b>	<b><u>52,28,792</u></b>

## Shree Rajeshwaranand Paper Mills Limited

### Notes :-

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities
- (iii) The Company's pending litigations comprise of proceedings pending with Sales tax/VAT. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

### NOTE 32: EARNINGS PER SHARE

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Profit for the year as per Statement of Profit & Loss	1,07,97,037	8,33,218.78
Weighted Average No. of Equity Shares of Face Value ` 10 each	1,24,50,000	1,24,50,000
<b>Earnings Per Share - Basic &amp; Diluted</b>	<b>0.87</b>	<b>0.07</b>

### NOTE 33: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Total interest bearing financial liabilities	55,34,03,625	60,46,07,702
Less : Cash and Cash Equivalents	1,83,127	3,36,225
<b>Adjusted Net Debt</b>	<b>55,32,20,498</b>	<b>60,42,71,477</b>
Total Equity	30,70,37,436	29,64,75,370
<b>Adjusted Equity</b>	<b>30,70,37,436</b>	<b>29,64,75,370</b>
<b>Adjusted Net Debt to adjusted Equity Ratio</b>	<b>1.80</b>	<b>2.04</b>

### NOTE 34: FINANCIAL RISK MANAGEMENT & POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

#### (a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The market risk to which the Company is exposed can be classified as Interest Rate Risk, Price Risk and Currency Risk

**(a) (i) Market Risk - Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

**Exposure to interest rate risk**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Variable-rate instruments</b>		
Non-Current Borrowings	9,99,54,226	14,71,38,831
Current Portion of Long Term Borrowings	6,50,30,728	6,71,85,093
<b>Total</b>	<b>16,49,84,955</b>	<b>21,43,23,924</b>

**Sensitivity analysis to interest rate risk**

A reasonably possibly change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remains constant

Particulars	Profit or Loss		Equity, Net of Taxes	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31<sup>st</sup> March 2019</b>				
Non-Current Borrowings	(9,99,542)	9,99,542	(7,21,470)	7,21,470
Current Portion of Long Term Borrowings	(6,50,307)	6,50,307	(4,69,392)	4,69,392
<b>Total</b>	<b>(16,49,850)</b>	<b>16,49,850</b>	<b>(11,90,861)</b>	<b>11,90,861</b>
<b>31<sup>st</sup> March 2018</b>				
Non-Current Borrowings	(14,71,388)	14,71,388	(9,84,903)	9,84,903
Current Portion of Long Term Borrowings	(6,71,851)	6,71,851	(4,49,717)	4,49,717
<b>Total</b>	<b>(21,43,239)</b>	<b>21,43,239</b>	<b>(14,34,620)</b>	<b>14,34,620</b>

**(a) (ii) Market Risk - Price Risk**

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against guarantee issued by bank to company's trade payables. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**(a) (iii) Market Risk - Currency Risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its borrowings in foreign currency. The functional currency of the company is Indian Rupees. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than over year from the reporting date. The company does not use derivative financial instruments for trading or speculative purposes.

Category	Instrument	Currency	Buy/Sell	Foreign Currency	Indian Rupee
Hedges of highly probable forecasted transactions	Forward Contract	USD	Buy	34,73,000	24,01,75,315

## Shree Rajeshwaranand Paper Mills Limited

### Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

Particulars	Amount in Foreign Currency		
	Foreign Currency	As at March 31, 2019	As at March 31, 2018
Financial Liabilities			
Non-Current Borrowings	USD	34,97,468	41,30,237
Less : Forward contract for buying of foreign currency	USD	34,73,000	41,08,900
<b>Total</b>		<b>24,468</b>	<b>21,337</b>

### Sensitivity analysis to currency risk

Foreign Currency	Amount in INR			
	Impact on Profit or Loss			
	As at March 31, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	(50,763)	50,763	(44,266)	44,266
<b>Total</b>	<b>(50,763)</b>	<b>50,763</b>	<b>(44,266)</b>	<b>44,266</b>

### (b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure

#### Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

#### Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance of expected loss provision	40,31,933	33,45,365
Add : Provisions made (net)	4,30,111	6,86,568
<b>Closing balance</b>	<b>44,62,044</b>	<b>40,31,933</b>

**Other Financial Assets**

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**Expected credit loss on financial assets other than trade receivable:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

The Company's maximum exposure to credit risk as at 31st March 2019 and 31st March 2018 is the carrying value of each class of financial assets.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

**Exposure to Liquidity Risk**

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Term loans from banks, financial institutions and ICD (including accrued interest)	7,93,97,328	17,41,15,484	8,31,26,454	22,29,89,297
Working Capital Loans from Banks	32,27,93,010	-	32,48,09,355	-
Trade Payables	16,59,36,418	-	9,29,60,875	-
Interest accrued but not due	1,30,38,360	-	1,15,84,168	-
Forward Exchange Contracts payable	67,41,257	-	16,79,160	-
<b>Total</b>	<b>58,79,06,373</b>	<b>17,41,15,484</b>	<b>51,41,60,012</b>	<b>22,29,89,297</b>

**(d) Collateral**

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 14 and Refer Note No. 17 for the detailed terms and conditions of the collaterals pledged.

## Shree Rajeshwaranand Paper Mills Limited

### NOTE 35: FINANCIAL INSTRUMENTS : CLASSIFICATION AND FAIR VALUE MEASUREMENT

#### (a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial Assets</b>		
<b>Amortised Cost</b>		
Trade Receivables	46,27,82,160	46,14,14,076
Cash & Cash Equivalents	1,83,127	3,36,225
Other Bank Balances	2,24,96,656	2,20,57,491
Other Financial Assets	6,68,901	8,69,931
<b>Total</b>	<b>48,61,30,845</b>	<b>48,46,77,723</b>
<b>Financial Liabilities</b>		
<b>Derivative Instruments</b>		
Forward Contract Payable	67,41,257	16,79,160
<b>Amortised Cost</b>		
Borrowings	49,01,67,237	54,61,19,492
Trade Payable	16,59,36,418	9,29,60,875
Other Financial Liabilities	24,44,99,205	20,98,66,782
<b>Total</b>	<b>90,73,44,117</b>	<b>85,06,26,310</b>

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2018, March 31, 2017 and April 01, 2016 approximate the fair value because of the short term nature.

#### (b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

For Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial Liability</b>		
<u>Level 2</u>		
Borrowings	6,39,70,289	5,60,73,526
Derivative Financial Liability	67,41,257	16,79,160
<b>Total</b>	<b>7,07,11,546</b>	<b>5,77,52,686</b>

### NOTE 36: EMPLOYEE BENEFITS

#### (a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2019

**(A) Defined benefit plans****I Components of Employer Expenses**

Particulars	Gratuity	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service Cost	7,91,929	6,73,053
Interest Cost	4,11,942	4,14,796
Expected Return on Plan Assets	(4,08,645)	(3,83,826)
Actuarial (Gain)/Loss	2,34,971	(6,17,098)
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss A/c</b>	<b>10,30,197</b>	<b>86,925</b>

**II Net Asset/ (Liability) recognized in Balance Sheet**

Present value of Funded Obligation	66,04,152	53,49,896
Fair Value of Plan Assets	57,69,803	52,52,520

<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>8,34,349</b>	<b>97,376</b>
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**III Change in Defined Benefit Obligations (DBO)**

Opening Balance of Present Value of Obligation	53,49,896	53,86,964
Current Service Cost	7,91,929	6,73,053
Interest Cost	4,11,942	4,14,796
Benefit Paid	(1,84,097)	(5,07,979)
Actuarial (Gain)/Loss	2,34,482	(6,16,938)

<b>Closing Balance of Present Value of Obligation</b>	<b>66,04,152</b>	<b>53,49,896</b>
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**IV Changes in the Fair Value of Plan Assets**

Opening Balance of Present Value of Obligation	52,52,520	51,00,978
Expected Return on Plan Assets	4,08,645	3,83,826
Contribution by Employer	2,93,224	2,75,535
Benefit Paid	(1,84,097)	(5,07,979)
Actuarial Gain/(Loss)	(489)	160

<b>Fair Value of Plan Assets as at 31st March</b>	<b>57,69,803</b>	<b>52,52,520</b>
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**V Actuarial Assumption**

Discount Rate (Per Annum)	7.7%	7.7%
Expected Rate of Return on Assets Per Annum		
Annual Increase in Salary Costs Per Annum	6.5%	6.5%
Attrition Rate	5% TO 1%	5% TO 1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Particulars	Gratuity	
	Year Ended March 31, 2019	Year Ended March 31, 2018

**VI Major Categories of plan assets as a percentage of total plan assets**

Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	<b>100%</b>	<b>100%</b>

**VII Movement in net liability recognized in Balance Sheet**

Net Opening Liability	97,376	2,85,986
P & L Charges	10,30,197	86,925
Contribution paid	(2,93,224)	(2,75,535)
<b>Closing Net Liability</b>	<b>8,34,349</b>	<b>97,376</b>

## Shree Rajeshwaranand Paper Mills Limited

### VIII Gratuity - Sensitivity Analysis

Particulars	Gratuity			
	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	61,91,577	70,84,009	49,88,313	57,73,469
Salary Growth Rate (1% movement)	70,84,973	61,83,599	57,74,323	49,81,346
Withdrawal Rate (1.0% movement)	66,22,440	65,84,685	53,67,494	53,31,085

### (B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - Rs. 25,50,365/- (Previous year Rs. 23,22,488/-)

### NOTE 37: RELATED PARTY

List of Related Parties :	Particulars
Key Managerial Personnel	1) Prakash Vora
	2) Udayan D. Velvan
	3) Karunashankar Vora
	4) Kinjal Sheth
Enterprise in which key managerial personnel, and their relatives have significant influence	1) Kankavati Investment Pvt. Ltd.
Relative of key managerial personnel.	1) Hemali Vora
	2) Shripal Vora
	3) Sonal Velvan
	4) Parth Velvan

### Transaction for the year ended 31st March 2019

S. N.	Particulars	Subsidiaries / Associates	Enterprise in which management personnel and relatives have significant influence	Key Managerial personnel & their relatives	Total
1	Loan Received	-	-	66,50,000 (49,50,000)	66,50,000 (49,50,000)
2	Loan Repaid	-	-	20,50,000 (1,44,00,000)	20,50,000 (1,44,00,000)
3	Loan Received Outstanding	-	-	1,21,50,000 (75,50,000)	1,21,50,000 (75,50,000)
4	Interest paid on Loan	-	-	-	-
5	Interest Payable	-	-	2,70,000 (2,70,000)	2,70,000 (2,70,000)
6	Salary & Directors Remuneration	-	-	-	-
7	Payable	-	-	39,30,719 (3,06,141)	39,30,719 (3,06,141)
	Salary	-	-	70,48,450 (68,41,552)	70,48,450 (68,41,552)
8	Director Remuneration	-	-	30,00,000 (30,00,000)	30,00,000 (30,00,000)

**Note:** Related Parties Relationship is as identified by the company and relied upon by the auditors. Figures in the brackets represent previous year figures.

**NOTE 38: SEGMENT REPORTING****1 Information about Primary segment (by business segment)****Manufacturing of Paper****Manufacturing of Tools****Trading**

The Company's business segments are organized around product lines which have been identified taking into account the nature of products, the different risks and returns the organizational structure and internal reporting systems. Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable to each of the segment as also the amount allocated on reasonable basis. The incomes which are not directly relatable to the business segment are shown as unallocable income.

**BUSINESS SEGMENT**

PARTICULARS		Newsprint Paper	Tools	Trading	Total
Segment Revenue	CY	1,33,62,60,896	44,75,832	9,38,790	1,34,16,75,519
	PY	89,61,46,133	11,27,38,385	11,46,91,949	1,12,35,76,468
Segment Expenses	CY	1,27,51,84,554	5,38,59,386	17,56,335	1,33,08,00,275
	PY	85,57,68,820	14,61,17,226	11,60,80,782	1,11,79,66,829
Segment Results Before & Unallocable Income	CY	6,10,76,342	(4,93,83,553)	(8,17,545)	1,08,75,244
	PY	4,03,77,313	(3,33,78,841)	(13,88,833)	56,09,639
Add:Unallocable Income	CY				14,85,402
	PY				13,71,577
Profit Before Tax	CY				1,23,60,646
	PY				69,81,216
Taxes	CY				17,98,580
	PY				57,36,911
Profit After Tax	CY				1,05,62,066
	PY				12,44,305

**OTHER INFORMATION:**

Segment Assets	CY	1,13,23,33,104	3,50,54,491	10,38,39,151	1,27,12,26,746
	PY	97,60,66,349	13,00,15,265	10,96,45,440	1,21,57,27,054
Segment Liabilities	CY	1,13,23,33,105	3,50,54,491	10,38,39,151	1,27,12,26,747
	PY	97,60,66,349	13,00,15,265	10,96,45,440	1,21,57,27,054
Capital Expenditure	CY	3,02,76,676	96,24,327	-	3,99,01,003
	PY	1,86,68,337	3,32,54,173	-	5,19,22,510
Depreciation	CY	5,18,99,775	1,76,85,420	-	6,95,85,195
	PY	5,40,25,104	1,47,88,118	-	6,88,13,222

**NOTE 39:** The balances of Trade Receivables, Trade Payables, Deposits, Loans & Advances received or given, are subject to confirmation & subsequent reconciliation. Management is confident of receiving all the sums due. The provisions for all known liabilities and for depreciation is adequate and not in excess of the amounts reasonably necessary.

**NOTE 40:** In the opinion of the board the current assets, loans and advances are approximately of the values stated in the Balance Sheet, realized in the ordinary course of business.

**NOTE 41: EVENTS OCCURRED AFTER THE BALANCE SHEET DATE**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these

## **Shree Rajeshwaranand Paper Mills Limited**

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events and transactions in the financial statements. As of 30th May 2019 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

**NOTE 42:** Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

<b>CORPORATE INFORMATION</b>	<b>1</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>
<b>The accompanying notes are an integral part of these financial statements</b>	<b>3-42</b>

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As per our report attached of even date

**For Kanak Rathod & Co.**

*Chartered Accountants*

Firm Reg. No.104700W

**KANAK RATHOD**

Proprietor

Membership No. 032833

Place : Mumbai

Date : **30/05/2019**

**For Shree Rajeshwaranand Paper Mills Ltd.**

**Prakash R. Vora**

*Managing Director*

*DIN : 00612357*

**Udayan D. Velvan**

*Executive Director*

*DIN : 01876652*

**Karunashankar Vora**

*Chief Financial Officer*

**Kinjal Sheth**

*Company Secretary*

Place : Jhagadia

Date : **30/05/2019**

**SHREE RAJESHWARANAND PAPER MILLS LIMITED**

**[CIN: L21093GJ1991PLC057244]**

Registered Office: Village: Govali, Bharuch – Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch, Gujarat- 393 001

FORM MGT-11

**PROXY FORM**

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

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

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

1. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
2. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: .....

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 21<sup>st</sup> September, 2019 at 1.00 p.m. at the Registered Office of the Company at Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia, Dist: Bharuch, Gujarat – 393 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Udayan D. Velvan, liable to retire by rotation and being eligible, offers himself for re-appointment.		
3	Ordinary Resolution for appointment of Statutory Auditors of the Company		
<b>Special Business</b>			
4	Ordinary Resolution for Consideration of Remuneration payable to Cost Auditors of the Company pursuant to Section 148 of the Companies Act, 2013.		
5	Special Resolution for re-appointment of Mr. Amrish R. Patel as Independent Director of the Company for second term of 5 consecutive years.		
6	Special Resolution for re-appointment of Mr. Ashok Kumar V. Shah as Independent Director of the Company for second term of 5 consecutive years.		

Signed this ..... day of ..... 2019

Signature of Shareholder .....

Signature of Proxyholder (1).....(2).....

Affix  
Revenue  
Stamp  
here

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

AGM VENUE MAP - 2019



**SHREE RAJESHWARANAND PAPER MILLS LIMITED****[CIN: L21093GJ1991PLC057244]**

Registered Office: Village: Govali, Bharuch – Jhagadia Road,

Tal: Jhagadia, Dist: Bharuch, Gujarat- 393 001

FORM MGT-12

**ATTENDANCE FORM / BALLOT FORM****(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and Address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance at the meeting and vote(s) in respect of the resolutions set out in the Notice of 28 <sup>th</sup> Annual General Meeting (AGM) of the Company held on Saturday, the 21 <sup>st</sup> September, 2019, by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
	<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Mr. Udayan D. Velvan, liable to retire by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of Statutory Auditors of the Company			
	<b>Special Business</b>			
4	Ordinary Resolution for Consideration of Remuneration payable to Cost Auditors of the Company pursuant to Section 148 of the Companies Act, 2013.			
5	Special Resolution for re-appointment of Mr. Amrish R. Patel as Independent Director of the Company for consecutive second term			
6	Special Resolution for re-appointment of Mr. Ashok Kumar V. Shah as Independent Director of the Company for consecutive second term			

Place:

Date:

(Signature of the Shareholder/Proxy)

**Note: This Form is to be used for exercising attendance / voting at the time of 28<sup>th</sup> Annual General Meeting to be held on Saturday, the 21<sup>st</sup> September, 2019 by shareholders/proxy. Duly filled in and signed form should be dropped in the Ballot box kept at the venue of AGM.**

*If undelivered, please return to*

**Shree Rajeshwaranand Paper Mills Limited**

**Registered Office:**

Village : Govali, Bharuch - Jhagadia Road,

Tal : Jhagadia, Dist : Bharuch,

Gujarat - 393 001