

37th

**DIRECTORS' REPORT
AND ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH, 2016**

SHREE BHAWANI 
PAPER MILLS LIMITED

SHREE BHAWANI PAPER MILLS LIMITED

DIRECTORS

Shri Badri Vishal Tandon
Shri C.M. Krishna
Brig. (Retd.) Shri Rajeev Lochan Singh SC
Shri Saran Vinod
Shri Atul Seth
Smt. Lakshmi Kumari*
Shri Alankar Tandon
Shri Girish Tandon, Managing Director
* Ceased to be Director wef 13.08.2016

COMPANY SECRETARY

Smt. Babita Jain

CHIEF FINANCIAL OFFICER

Shri R. M. Pandey

AUDITORS

M/s P. L. Gupta & Co.
Chartered Accountants

BANKERS

Bank of Baroda

REGISTERED & ADMINISTRATIVE OFFICE

33, Dayanand Marg, Allahabad -211 002

MILLS

Industrial Area No. 1, Sultanpur Road,
Rae Bareli -229 010

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153 A, Okhla Industrial Area,
Phase - I
New Delhi 110 020

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SHREE BHAWANI PAPER MILLS LIMITED

SHREE BHAWANI PAPER MILLS LIMITED

CIN: L21015UP1979PLC004783

Registered Office: 33, Dayanand Marg, Allahabad 211002

Website: www.shbhawani.com

Email: info@shbhawani.com

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of Members of SHREE BHAWANI PAPER MILLS LIMITED will be held at the Registered office of the Company at 33, Dayanand Marg, Allahabad-211002, on Thursday, the 29th September, 2016 at 11.30 A.M. to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2016 including Balance Sheet as at 31st March, 2016 and Profit & Loss Account for the year ended on that date, the Report of the Directors and the Report of the Auditors, thereon.
2. To appoint a Director in place of Shri Alankar Tandon (DIN: 00110512) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year and in this connection, to consider and if thought fit, to pass with or without modification(s), the following Resolution as Ordinary Resolution:
"RESOLVED THAT M/s P.L. Gupta & Co., Chartered Accountants (Registration No: 011575C), the retiring Auditors, be and are hereby re-appointed as Auditors of the Company, to hold Office from the conclusion of this Meeting till the conclusion of next Annual General Meeting at a remuneration of Rs.1,50,000/- (Rupees one lac fifty thousand only) plus service tax, as applicable, and travelling and other out of pocket expenses."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:
Re-appointment of Shri Girish Tandon as Managing Director of the Company.
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company and subject to requisite permission of Central Government if so required, Consent of the Company be and is hereby accorded to the re-appointment of Shri Girish Tandon (DIN:00109528) as Managing Director of the Company for a period of three years with effect from 1st April, 2016 on a remuneration of Rs.1,50,000/- (Rupees one lac fifty thousand only) per month and other benefits, as detailed in the Statement attached here to for performing the functions of Managing Director or any other functions as may be assigned to him from time to time by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid Resolution."

SHREE BHAWANI PAPER MILLS LIMITED

5. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2017 and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

Ratification of remuneration of the Cost Auditors for the financial year ending 31st March, 2017 as recommended by Audit Committee and approved by the Board

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of Rs. 10,000/- (Rupees ten thousand only) plus out of pocket expenses, as recommended by the Audit Committee and as approved by the Board of Directors of the Company, be paid to Shri Rakesh Misra, the Cost Auditor of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be and is hereby ratified and confirmed”.

BY ORDER OF THE BOARD

REGISTERED OFFICE :
33, DAYANAND MARG
ALLAHABAD - 211002

BABITA JAIN
COMPANY SECRETARY
FCS 3824

DATED : 13TH AUGUST, 2016

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL AT THE MEETING INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS THEN SUCH PROXY SHALL NOT BE ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE RELEVANT PROXY FORM IS ENCLOSED HEREWITH.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution on the letterhead of the Company, signed by one of the directors or company secretary or any other authorised signatory, authorising their representatives to attend and vote on their behalf at the Meeting.
3. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24th September, 2016 to 29th September, 2016 (both days inclusive).
6. Members are requested to intimate change, if any, in their addresses.
7. The relative Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out material facts concerning the business under Item Nos 4 and 5 of the Notice is annexed hereto.

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8. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
9. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Skyline Financial Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Shareholders who are still holding physical share certificates are advised to dematerialise their shareholdings to avail the benefits of dematerialisation which includes easy liquidity through electronic transfer, saving in stamp duty and prevention of forgery.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
14. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members, who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. www.shbhawani.com
15. All documents referred to in the accompanying Notice and the Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 37th Annual General Meeting of the Company.
16. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the person seeking re-appointment as Director and Managing Director as under:

Name of the Director	Shri Alankar Tandon
DIN No	00110512
Date of joining the Board	28.04.2008
Profile of the Director	Shri Alankar Tandon, aged about 45 years, is Commerce graduate and having more than 15 years experience in capital market and finance business and 8 years experience in paper industry. He was Executive Director of the Company from 2008 to March 2016. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	248000
Directorship and Committee Membership in other Companies	Director in Sahitya Bhawan Pvt.Ltd., Allahabad.
Relationship with other Directors	Son of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company.

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Name of the Director	Shri Girish Tandon, Managing Director
DIN No	00109528
Date of joining the Board	06.07.1979
Profile of the Director	Shri Girish Tandon, aged about 65 years, is MBA from Allahabad University and has more than 38 years experience with the Paper Industry. He started his carrier in publication business and promoted Shree Bhawani Paper Mills Ltd. He has been a Director of the Company since its inception i.e 1979. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	284600
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	Brother of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company.

17. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receive an email from NSDL (for members whose e-mail addresses are registered with the Company/ Depository Participant(s):
- i) Open the e-mail and also open the attached PDF file namely "e-Voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No.(in case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
 - ii) Launch internet browser by typing the URL- <https://www.evoting.nsdl.com/>
 - iii) Click on "Shareholder – Login".
 - iv) If you are already registered with NSDL for e-voting then you can use your existing User ID and password and click Login.
 - v) If you are logging in for the first time, please enter the User ID and password as initial password noted in step (i) above and click Login.
 - vi) Password Change Menu appears. Change the password with a new password of your choice with minimum 8 digits/ characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - vii) Home page of "e-Voting" opens. Click on e-Voting- Active Voting Cycles.
 - viii) Select "EVEN" (Electronic Voting Event Number) of Shree Bhawani Paper Mills Limited.
 - ix) Now you are ready for e-Voting as "Cast Vote" page opens.
 - x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

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- xi) Upon confirmation, the message "Vote Cast Successfully" will be displayed.
 - xii) Once you have voted on the Resolution, you will not be allowed to change/ modify your vote.
 - xiii) Institutional Shareholders (ie other than Individuals, HUF, NRI etc) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser through email to with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depository Participant(s):
- i) Initial password is provided in the enclosed 'Instruction for e-voting' form for the AGM

EVEN	USER ID	PASSWORD / PIN
(Electronic Voting Event Number)		

- ii) Please follow all steps from Sl.No. (ii) to Sl.No. (xiii) above, to cast vote.
- II. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the download section of <https://www.evoting.nsdl.com>.
- III. The e-voting period commences on Monday, 26th September, 2016 (9.00 A.M.) and ends on Wednesday, 28th September, 2016 (5.00 P.M.) E-voting shall not be allowed beyond 5:00 P.M. of 28th September, 2016. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e, 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Shareholders, the Shareholders shall not be allowed to change it subsequently.
- IV. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e, 23rd September, 2016.
- V. Shri Anil Kumar, Practising Company Secretary (Membership No. FCS 5693 and Certificate of Practice 5592) email id: purswanianil@gmail.com has been appointed as the Scrutiniser to scrutinise the process in a fair and transparent manner.
- VI. The Scrutinizer shall after the conclusion of voting at the Annual General meeting, will first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the Company and shall make, within 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- VII. The Result shall be declared on or after the Annual General Meeting. The Result declared along with the Scrutiniser's Report shall be placed on the Company's website www.shbhawani.com and on the website of NSDL within two days of the passing of the Resolutions at the Annual General Meeting of the Company and communicated to the Bombay Stock Exchange, where the shares of the Company are listed.

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

The following statement sets out all material facts relating to Special Business mentioned in the Notice:

ITEM NO. 4

Additional Information required under the provisions Para C of Section II of Schedule V of the Companies Act, 2013

I General Information

- a) Nature of industry:
The Company is engaged in manufacture and sale of Printing, Writing and Newsprint Paper.
- b) Date or expected date of commencement of commercial production:
The Company was incorporated on 6th July, 1979 as a Public Limited Company. The commercial production was started in the year 1983 with an installed capacity of 9400 MT per annum and over the years installed capacity has reached to 72000 MT.
- c) Expected date of commencement of activities as per project approved by financial institutions:
Not applicable
- d) Financial Performance: The key performance indicators of the Company during the previous three years as given below.

(Rs. in Lacs)

Particulars	15 Months ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2016
Production (Tonnes)	32886	7499	25
Sales & other income	12196	2909	99
Gross profit/loss	(-)6809	(-)5551	(-)5150
Profit/loss after taxation	(-)6809	(-)5551	(-)5150

- e) Export performance and net foreign exchange collaborations:
Foreign exchange earnings during the period were Rs. NIL (Previous Year Rs. NIL) and total foreign exchange outgo during the year amounted to about Rs. NIL lacs (Previous Year Rs.337.46 lacs) on account of import of raw materials, stores & spares.
- f) Foreign Investment or collaborators:
Nil

II Information about the Appointee

- 1) Background Details
Shri Girish Tandon was appointed as Managing Director by Board of Directors of the Company its Meeting held on 18th March, 2013 for a period of three years with effect from 1st April, 2013, duly approved by the Members of the Company at their 34th Annual General Meeting held on 28th June, 2013 subject to requisite permission of Central Government. Accordingly, the Ministry of Company Affairs approved the appointment of Shri Girish Tandon, Managing Director for a period of 3 years with effect from 1st April, 2013 at a total remuneration of Rs. 18,00,000/- (Rupees eighteen lacs only) vide their Letter No. SRN/ B76151513/3.2013-CL-VII dated 27th February, 2014. The present term of his office was expired on 31st March, 2016.
- 2) Past Remuneration
Shri Girish Tandon had drawn a remuneration of Rs. 20.70 lacs, Rs 18.00 Lacs during financial years 2013-14, 2014-15 and NIL during financial year 2015-16 respectively as Managing Director of the Company. Because of suspension of production in the Company from October, 2014, Shri Girish Tandon has not taken any salary since April, 2015 as decided in Board Meeting held on 11th August, 2015 which Shri Tandon had kindly consented for the same.

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- 3) Job Profile and suitability of the Appointee
- Shri Girish Tandon, aged about 65 years, is MBA from Allahabad University and is the Promoter Director of the Company. He has been the Joint Managing Director of the Company since 2nd October, 1979 to 28th April, 2008 and was further designated as Managing Director thus completing a period of more than 37 years. Your Directors in accordance with the recommendations of Nomination and Remuneration Committee, and having regard to his long association with the Company and more than 38 years rich and diversified experience in paper industry, considered beneficial and in the interest of the Company, approved at their Meeting held on 28th March, 2016, the re-appointment of Shri Girish Tandon as Managing Director of the Company, for a further period of three years with effect from 1st April, 2016 subject to approval of Central Government and the Members of the Company at the General Meeting on fresh terms and conditions. Shri Girish Tandon shall be deemed as one of the Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.
- 4) The remuneration as approved by Board within ceilings as set out in Part II Section II of the Schedule V of the Companies Act, 2013, thus, payment of remuneration as per above scale does not require approval of the Central Government. However, in view of the delay/ default in repayment to bank dues pending finalisation of Draft Rehabilitation Scheme still existing as on 31st March, 2016, in terms of provisions of Section II of Part II of Schedule V to the Companies Act, 2013, approval of the Central Government would be required for appointment and payment of the said remuneration to Shri Girish Tandon.
- 5) Shri Girish Tandon is member of Stakeholders' Relationship Committee of the Company.
- 6) The Principal terms of re-appointment
- Salary: Rs.18,00,000/- (Rupees Eighteen Lacs only) per annum.
 - Perquisites:
 - Medical Benefits for self and family: Reimbursement of expenses actually incurred for self and family, subject to ceiling of one months' salary in a year or three months salary in a block of three years.
 - Personal Mediclaim/Accidental Insurance: Annual Premium for coverage of personal mediclaim and accidental insurance be paid by the Company and premium thereof not to exceed Rs. 35,000/- per annum.
 - Encashment of leave at the end of the tenure as per the Rules of the Company.
 - Gratuity payable at the rate not exceeding half month's salary for each completed year of service as per the Company's Rules.
 - No sitting fee shall be paid for attending the Meeting of Board of Directors or Committee thereof.
 - Any other benefits, facilities allowance and expenses as may be allowed under Company's Rules/Schemes.
- Minimum Remuneration**
- Notwithstanding anything to the contrary herein contained wherein any financial year, Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary as minimum remuneration and in addition there to the perquisites not exceeding the limits specified under Section II of Part II of the Schedule V of the Companies Act, 2013.
- 7) The above appointment will be subject to termination by three months notice in writing on either side.
- 8) **Memorandum of Interest**
- None of the Directors except Shri Girish Tandon and Shri Badri Vishal Tandon, elder brother of Shri Girish Tandon and Shri Alankar Tandon, son of Shri Badri Vishal Tandon, may be considered as interested in the Resolution recommended for adoption.

SHREE BHAWANI PAPER MILLS LIMITED

- 9) Comparative remuneration profile with respect to the industry, size of the company, profile of the position and person:
The proposed remuneration payable to Shri Girish Tandon is justified as compared to remuneration paid in the industry and the size of the Company.
- 10) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personal, if any
Except the proposed remuneration, Shri Girish Tandon does not have any pecuniary relationship with the Company or with any managerial personnel except as shareholder of the Company.

2) OTHER INFORMATION

Reasons of losses incurred by the Company

1. During 2007-2008, the Company had undertaken further capacity expansion by installing most modern new equipments for manufacturing paper, thereby increasing their manufacturing capacity from 21000MT to 72000 MT per annum. Post implementation of the same, the company faced certain initial hurdles with respect to de-inking plant that affected the quality of the pulp and gave lower yield, forcing higher expenditure on trial runs to the extent of approx. Rs. 12-14 cr. Although it was rectified later, the Company could not achieve the desired production levels post commissioning as planned in FY 2009 and FY 2010 leading to depressed sales and profitability in that period.
2. In April 2010, due to Pollution Control Board (PCB) directives, the Company could not continue to operate the agro pulp mill without installing the Chemical Recovery Plant (hereinafter referred to as "CRP"). Resultantly, the Company had to shut down operations of its existing 50 Tonnes Per Day agro pulp mill. Due to this, the overall production in FY11, FY12 and FY13 also suffered adversely impacting the financial and operational performance of the Company. As per the PCB directives, a Chemical Recovery Plant (120 TPD) was successfully installed in July, 2012, however, CRP could not run on commercial basis due to power shortage after June 2012.
3. In 2005-06 a Capital Expansion Plan of the Company which included setting up of Waste paper based Pulp Mill and New Paper Machine i.e. PM-3 was financed by Indian Bank & Bank of Baroda (Consortium) via Term Loan of Rs. 24 crores each at a rate of interest @ 10% p.a. on the basis of which the appraisal was undertaken by the banks. However, over the years, by 2011-12, the banks revised the said interest rate to 14.5% p.a. thereby burdening the Company with an additional 4.5% interest cost.
4. One of the external factors responsible for loss is that in the past four years, the value of Rupee has depreciated from Rs. 42/- per dollar in 2008 to Rs. 60/- per dollar in 2014. This depreciation in rupee lead to higher import costs of waste paper.
5. In October, 2014, the Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944 5948 has stopped the production on all the three paper machines of the Company. Due to which, the financial position was further deteriorated. Our Company is fully prepared to meet the challenges of environment protection and technically equipped after setting up of Chemical Recovery plant.

Steps taken or proposed to be taken for improvement

The Uttar Pradesh Government has came up with New Rehabilitation Policy for revival of Sick Industrial Units registered and declared Sick by Hon'ble BIFR Since 1993 Vide Government Order(GO) no 1701/77-1-2015-10(BIFR)/09TC dated 7th December, 2015, Under this Policy, the State Government would extend full cooperation in the revival of sick units. The Company has submitted Draft Rehabilitation Scheme to the Pradeshiya Industrial & Investment Corporation of Uttar Pradesh Limited (PICUP) who has been nominated as Nodal Agency for the purpose.

The copy of the Resolution, approved by the Board of Directors of the Company, is available for inspection during business hours on any working day at Registered Office of the Company.

Your Directors recommend the Resolutions as Special Resolution for your approval.

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ITEM NO.5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor, Shri Rakesh Misra to conduct the audit of the cost records of the Company for the financial year ending 31st March 2017 at a remuneration of Rs. 10000/- (Rupees ten thousand only) plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

REGISTERED OFFICE:
33, DAYANAND MARG
ALLAHABAD - 211002

BY ORDER OF THE BOARD

BABITA JAIN
COMPANY SECRETARY
FCS 3824

DATED: 13th AUGUST, 2016

SHREE BHAWANI PAPER MILLS LIMITED

DIRECTORS' REPORT

We are presenting our 37th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2016.

Performance

The working of the Company during the year under review has been highlighted below:

	Year Ended 31.03.2016	Year Ended 31.03.2015
Production (Tonnes)	25	7499
	Rs in Lacs	Rs in Lacs
Sales	19	2828
Other Income	80	81
	99	2909
Gross Profit/(Loss)	-1877	-2583
Less: Interest	2133	2056
Depreciation for the year	893	912
Profit Before Exceptional Items and Tax	-4903	-5551
Exceptional Items	247	-
Profit for the year before tax	-5150	-5551
Less: Income Tax Adjustment of Earlier Years	12	-
Profit / (Loss) after taxation	-5138	-5551
Profit/(Loss) brought forward from last year	-20014	-14463
Loss carried to Balance Sheet	-25152	-20014

Operations & Reason for losses

The Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 has stopped the production on all the three paper machines of the Company in October, 2014. Conditional clearance of the same was received in March, 2015. Due to which, the financial position has further deteriorated. The Company is exploring various avenues to infuse the funds for revival of the Company.

Revival Plan

The Paper Mill of the Company is closed since October 2014 due to order by CPCB order to make modification in the Pollution Control Plant. This requires investment of nearly Rs. 2 Crores.

In the meanwhile, Government of Uttar Pradesh has issued Government Order (GO) no 1701/77-1-2015-10(BIFR)/09TC dated 7th December, 2015 which offers various benefits to eligible units, we are eligible and benefits available to us are as follows:

- Refund of 85% of paid VAT, CST (in case of GST, 85% of State Government share) including aforesaid taxes paid on raw material for 10 years.
- Total Electricity and other State Dues net of interest, surcharges be allowed to be repaid in 10 equal yearly installments after 2 years moratorium.
- To allow the sale of surplus land with land use conversion.

Our Company is in a position to avail the benefits provided we arrange funds for the Scheme and get Reliefs/Settlement with our Lenders. The Company is in advance stage of finalizing and submitting a Rehabilitation Scheme

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to Bank of Baroda, the Operating Agency appointed by BIFR. In the meanwhile, BOB and JM Financial ARC Private Limited have sent a notice under Sub section (2) of Section 13 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Looking into the urgency of the situation and in view of the cyclical nature of Paper Industry, the management is of the view, that the restructuring of the Company is only possible with fresh infusion of funds and also by sale of surplus land and machinery of the Company. The new paper machine and DIP has been sparingly used and has a long residual life. Therefore, the production should be restarted based on the new machines.

The pollution load of waste paper plant is much lower and can easily meet NGT standard. In this light, the profitability of Agro pulping and old paper machine should be reviewed to decide future course of action. The new paper machine can also be restarted with minimum gestation period. Proposal will be made to the lenders based on sustainable debt and relief will be sought accordingly. Part of dues of Secured Creditors can be paid over a short period of time by sale of surplus assets and land if the scheme is approved by PICUP and permission given by lenders.

Compliance of Sick Industrial Companies (Special Provisions) Act, 1985

The Company has filed a Reference Application under Section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with Hon'ble BIFR which was registered as Case No. 29/2013. In the hearing held on 26th September, 2013, the Hon'ble BIFR declared the Company as 'Sick' u/s 3 (1) (o) of SICA and appointed Bank of Baroda as the Operating Agency (OA) u/s 17 (3) of the Act, to prepare a Rehabilitation Scheme for the Company. The Company has submitted the Draft Rehabilitation Scheme (DRS) to Bank of Baroda (OA) and other stakeholders with a copy to Hon'ble BIFR. Indian Bank has sold its loan to the ARC, M/s JM Financial Asset Reconstruction Company Pvt. Ltd whose name has been substituted in place of Indian Bank.

The revival of the Company is dependent on approval of Draft Rehabilitation Scheme at the earliest.

Share Capital

The paid up Equity Share Capital as on 31st March, 2016 was Rs.34,82,72,240/-. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity.

Directors and Key Managerial Personnel

The present tenure of office of Shri Girish Tandon as Managing Director and Shri Alankar Tandon as Executive Director expired on 31st March, 2016. The Board of Directors of the Company, having regard to the present situation of the Company and closure of manufacturing facility, decided to recommend the re-appointment of Shri Girish Tandon as Managing Director of the Company, for a further period of three years subject to requisite approvals. After the improvement in situation, the other appointment may be considered.

Your Directors expressed their deep appreciation for valuable contributions of Shri Alankar Tandon to the Company as Executive Director of the Company but he shall continue to remain the Non Executive Director on Board. Shri Alankar Tandon, Director, is retiring by rotation, being eligible and offers himself for re-election, has given his consent for the same.

During the Year, the Non Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fee and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to Provisions of Section 203 of the Companies Act, 2013, key managerial personnel of the Company are Shri Girish Tandon, Managing Director, Shri R M Pandey, Chief Financial Officer, and Smt Babita Jain, Company Secretary. There has been no change in key managerial personnel during the year.

The Brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the Annual Report.

Further, all independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. None of the Director is disqualified under Section 164 (2) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange.

Corporate Governance Code

Your Company has complied with all the mandatory requirements of Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange and SEBI Listing Regulations forms an integral part of the Directors' Report.

The Statutory Auditors of the Company have examined the Company's compliance to the Code of Corporate Governance and have certified the same, as required under SEBI guidelines. The certificate is reproduced with Corporate Governance Report to the Members.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange and SEBI Listing Regulations, is presented in a separate section forming part of the Annual Report.

Auditors and Auditor's Report

Statutory Auditors

M/s. P. L. Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, retire from their Office at the conclusion of ensuing Annual General Meeting. They are, however, eligible for re-appointment and have furnished certificate to the effect that their appointment, if made, will be in accordance with the limits specified in Sub- Section (I-B) of Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment up to the conclusion of next annual general meeting.

Auditor's Qualification/ Remarks

With regard to qualifications/ remarks in Auditor's Report, Management response there on as under:

- a) The balances of some of the trade receivables, trade payables, lender and loans and advances are subject to confirmation/ reconciliation and subsequent adjustments, if any. Due to closure of the Plant, necessary verification has been delayed, however, the Management is of the opinion that there are no material adjustments in this regard.
- b) The Company became a sick industrial company within the meaning of Section 3 (1) (O) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a sick Industrial Company by Hon'ble BIFR on 26th September, 2013. The Company has submitted the Draft Rehabilitation Scheme (DRS) to operating agency, Bank of Baroda. The Company has provided interest on Term Loan and other loans of Indian Bank and Bank of Baroda @ 10.50% with effect from 1st January, 2013 in accordance with Guidelines and Checklist for preparation of Draft Rehabilitation Scheme as provided by Hon'ble BIFR.
- c) The Company has not recognized additional net Deferred Tax Asset during the year. There has been delay in approval of Draft Rehabilitation of scheme/ settlement with lenders. The Company is confident of getting support from lenders for settlement /revival of the Company and generate profit in near future.
- d) The Company could not get the Actuarial Valuation of Gratuity during the year under review and provided the gratuity liability on estimated basis for the year.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its paper activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Shri Rakesh Mishra, Cost Accountant, as Cost Auditor for auditing the cost accounts of the Company for the Financial Year 2016-17 at a remuneration of Rs.10,000/- (Rupees ten thousand only). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in the general meeting for ratification. Accordingly, a Resolution seeking member's ratification for the remuneration payable to Shri Rakesh Misra , Cost Auditor is included in the Notice convening the Annual General Meeting.

SHREE BHAWANI PAPER MILLS LIMITED

The Company has received a letter from him to the effect that his re-appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

Secretarial Auditor

The Board of Directors of the Company have appointed M/s. Adesh Tandon & Associates, Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2016-17, in terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Report of the Secretarial Auditor for the year 2015-16 is annexed herewith as Annexure A and forms an integral part of this Report. The comments mentioned in Secretarial Audit Report are self explanatory.

Internal auditor

The Board of Directors of the Company have appointed M/s. S. Kakkar & Company, Chartered Accountants, as the Internal Auditor of the Company for the financial year 2016-17. The Internal Auditors have consistently expressed their satisfaction about adequacy of internal control systems and procedures followed by the Company for conducting its business efficiency. All issues raised by Internal Auditors are being suitably dealt with and rectified under the close monitoring of the Audit Committee.

Extract of Annual Return

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014, extract of Annual Return of the Company is annexed herewith as Annexure B in Form MGT-9 to this Report.

Particulars of Employees/Managerial Remuneration

None of the Employee of the Company was in receipt of total remuneration of Rs.60,00,000/- during the financial year under review or Rs.5,00,000/- per month.

Information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure C and form an integral part of this Report.

Deposits

The Company has not accepted any deposit under Section 73 or Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo

Particulars with respect to conservation of energy, technology absorption and foreign earnings and outgo pursuant to Section 134 (3) (m) read with the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2016 are provided in Annexure D to this Report.

Directors' Responsibility Statement

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

- I) that in the preparation of the annual accounts for the year ending 31st March, 2016 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- II) that such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the loss of the Company for that period;

- III) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV) that the annual financial statements for the year ending 31st March, 2016 have been prepared on a 'going concern' basis;
- V) that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- VI) that systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material Changes and Commitments affecting the Financial position of the Company which have occurred between the end of financial year to which the financial year relates and the date of the Report

The Company has received Notice under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company is in process of settlement with the lenders.

Disclosures

Audit Committee

The Audit Committee comprises of five Directors namely Shri Badri Vishal Tandon, non-executive non independent Director and four Independent Directors, namely Shri C.M. Krishna, Brig. (Retd.) Shri Rajeev Lochan Singh SC, Shri Saran Vinod and Shri Atul Seth. All the recommendations made by the Audit Committee were accepted by the Board.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

Risk Management

The Board of Directors has constituted a Risk Management Committee to monitor and review the risk management plan and apprise the Board about Risk Management framework, methodology for categorization of risk and mitigation plan and such other function as directed by Board from time to time. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

Vigil Mechanism

Pursuant to provisions of Section 177 of the Companies Act, 2013, the Company has adopted Vigil Mechanism of the Company, which also incorporates a whistle blower policy. Adequate safeguards are provided against victimization to those who avail the mechanism and access to the Chairman of the Audit Committee in exceptional cases. This policy is available on the Company's website at www.shbhawani.com

Unclaimed Dividend

Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.

Contracts and Arrangements with related parties

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered 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.shbhawani.com

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

Meetings of the Board

Five meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance of this Annual Report.

Subsidiary and Associate Companies

The Company does not have any Subsidiary/ Associate Company.

Appointment Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key managerial Personnel, Senior Management and their remuneration. The appointment Policy is stated in the Corporate Governance Report and is available on website of the Company www.shbhawani.com

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report. The details of programme for familiarization of Independent Directors of the Company is available on website of the Company www.shbhawani.com

Listing with Stock Exchange

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.

Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and 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 the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Till date, the Company has not received any complaint there under.

Acknowledgement

Your Directors would like to express their thanks to the Banks for their co-operation and assistance from time to time. The Directors would also like to record their appreciation to the members of staff and workers, who in spite of constraints have been working hard for the Company and are maintaining cordial relations.

FOR AND ON BEHALF OF THE BOARD

**GIRISH TANDON
MANAGING DIRECTOR**

**ALANKAR TANDON
DIRECTOR**

**PLACE: ALLAHABAD
DATED: 13TH AUGUST, 2016**

SHREE BHAWANI PAPER MILLS LIMITED

Annexure A

Adesh Tandon
FCS, LLB, B COM, AAIMA

811, 8th Floor, Kan Chambers,
14/113, Civil Lines,
Kanpur – 208001 (UP)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

The Members,
Shree Bhawani Paper Mills Limited
33, Dayanand Marg,
Allahabad - 211002
Uttar Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Bhawani Paper Mills Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2016, 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 **Shree Bhawani Paper Mills Limited** for the financial year ended on March 31st, 2016, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the Audit Period**)
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The New Regulations regarding Prohibition of Insider Trading i.e., The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, **Effective from 15th May, 2015**;

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- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on text check basis, the following laws are specifically applicable to the company named as under :
 - a. **The Boilers Act, 1923**
 - b. **The Explosives Act, 1884**
 - c. **The National Green Tribunal Act, 2010**

** However, since the plant was closed during the Financial Year 2015-16 therefore, the applicability of the above mentioned specific laws does not arose during the audit period.*

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India **(Effective from 1st July, 2015)**;
- ii) The Listing Agreement entered into by the Company with BSE Limited (Bombay Stock Exchange) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(as applicable during the year with effect from 1st December, 2015)**.

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

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 member's views are captured and recorded as part of the minutes.

We further report that:-

There exist 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 have relied on the representations made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts/Laws/Regulations to the company subject to following observations:-

SHREE BHAWANI PAPER MILLS LIMITED

However, the Company has not fully paid the salary, wages and bonus and other statutory dues towards the Provident Fund, Service Tax on RCM, ESI, Sales Tax, TDS, etc. has not been paid.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures / sweat equity, etc;
- (ii) Redemption / buy-back of securities;
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- (iv) Merger / amalgamation / reconstruction, etc;
- (v) Foreign technical collaborations.

We further report that the Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and was declared as sick by the Hon'ble BIFR on 26th September, 2013 and the Bank of Baroda was appointed as Operating Agency U/s 17(3) of the aforesaid Act. While declaring the company as sick various directions were issued inter-alia with regard to draft rehabilitation scheme and restraining disposal of assets without the leave of Hon'ble Bench/Board. The rehabilitation scheme has been submitted to the Operating Agency as well as ARC (Assets Reconstruction Company) which is pending for approval. The working operations of the company are suspended w.e.f. October, 2014.

**Adesh Tandon & Associates
Company Secretaries**

**Date: 24th May, 2016
Place: Kanpur**

**Adesh Tandon
(Proprietor)
FCS No: 2253
C P No: 1121**

SHREE BHAWANI PAPER MILLS LIMITED

Annexure B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016

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

I REGISTRATION & OTHER DETAILS

i	CIN	L21015UP1979PLC004783
ii	Registration Date	06 th July, 1979
iii	Name of the Company	SHREE BHAWANI PAPER MILLS LIMITED
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	33, Dayanand Marg, Allahabad 211 002 Tel: 0532 2548404/2548406 Fax: 0532 2548425
vi	Whether Listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd. D-153 A, Okhla Industrial Area, Phase- I, NEW DELHI 110020 Tel: 011 64732681 to 88 Fax 011 26812682

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SI No	Name & Description of main products/services	NIC Code of the Product /Service	% to total turnover of the Company
1	Uncoated Paper and Paper Board used for writing & printing purposes	17013	100
2	Newsprint in Rolls or Sheets	17012	NIL

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
	NIL				

SHREE BHAWANI PAPER MILLS LIMITED

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20901238	—	20901238	60.01	20901238	—	20901238	60.01	—
b) Central Govt. or State Govt.	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	3280143	—	3280143	9.42	3280143	—	3280143	9.42	—
d) Bank/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
SUB TOTAL:(A) (1)	24181381	—	24181381	69.43	24181381	—	24181381	69.43	
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI- Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
SUB TOTAL (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	24181381	—	24181381	69.43	24181381	—	24181381	69.43	—
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	1400	1400	0.00	—	1400	1400	0.00	—
c) Central Govt/ State Govt	—	—	—	—	—	—	—	—	—
d) Venture Capital Fund	—	—	—	—	—	—	—	—	—
e) Insurance Companies	—	—	—	—	—	—	—	—	—
f) FIIs	—	—	—	—	—	—	—	—	—
g) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
h) Others (specify)	—	—	—	—	—	—	—	—	—
SUB TOTAL (B)(1)	—	1400	1400	0.00	—	1400	1400	0.00	—
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	3650509	12900	3663409	10.52	3633163	12900	3646063	10.47	-0.05
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lacs	1663766	286083	1949849	5.60	1647758	285683	1933441	5.55	-0.05

SHREE BHAWANI PAPER MILLS LIMITED

ii) Individuals shareholders holding nominal share capital in excess of Rs. 1Lac	4617217	—	4617217	13.26	4653797	—	4653797	13.36	0.10
c) Others (specify)									
NRIs	12026	200	12226	0.04	12026	200	12226	0.04	—
Hindu Undivided Family	401742	—	401742	1.15	398916	—	398916	1.15	—
Clearing Members/ House	—	—	—	—	—	—	—	—	—
SUB TOTAL (B)(2):	10345260	299183	10645843	30.57	10345660	298783	10644443	30.57	—
Total Public Shareholding (B)= (B)(1)+(B)(2)	10345260	300583	10645843	30.57	10345660	300183	10645843	30.57	—
C. Shares held by Custodian fo GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	34526641	300583	34827224	100.00	34527041	300183	34827224	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of 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	KIRAN GOENKA	1740000	5.00	—	1740000	5.00	—	—
2	MEENU TANDON	287400	0.83	—	287400	0.83	—	—
3	CHAVI TANDON	112999	0.32	—	112999	0.32	—	—
4	ALANKAR TANDON	248000	0.71	—	248000	0.71	—	—
5	NEERA TANDON	949398	2.73	—	949398	2.73	—	—
6	AKSHAT TANDON	1017875	2.92	—	1017875	2.92	—	—
7	BADRI VISHAL TANDON	246998	0.71	—	246998	0.71	—	—
8	SULOCHANI DEVI TANDON	280399	0.81	—	280399	0.81	—	—
9	BADRI VISHAL TANDON	212697	0.61	—	212697	0.61	—	—
10	GAURAV TANDON	999198	2.87	—	999198	2.87	—	—
11	ALANKAR TANDON	106699	0.31	—	106699	0.31	—	—
12	BADRI VISHAL TANDAN	261050	0.75	—	261050	0.75	—	—
13	GIRISH TANDON	395350	1.14	—	395350	1.14	—	—
14	BADRI VISHAL TANDON	356248	1.02	—	356248	1.02	—	—
15	BADRI VISHAL TANDON	52000	0.15	—	52000	0.15	—	—
16	GIRISH TANDON	343449	0.99	—	343449	0.99	—	—
17	BADRI VISHAL TANDON	295149	0.85	—	295149	0.85	—	—
18	BADRI VISHAL TANDON	3661347	10.51	—	3661347	10.51	—	—
19	PARIDHI TANDON	99999	0.29	—	99999	0.29	—	—
20	ALANKAR TANDON	579100	1.66	—	579100	1.66	—	—

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21	SURABHI MEHRA	99999	0.29	—	99999	0.29	—	—
22	ELA TANDON	50060	0.14	—	50060	0.14	—	—
23	DAMINI TANDON	48000	0.14	—	48000	0.14	—	—
24	OMPRAKASH GOENKA	4693224	13.48	—	4693224	13.48	—	—
25	GAURAV O GOENKA	1740000	5.00	—	1740000	5.00	—	—
26	GIRIJA GAURAV GOENKA	1740000	5.00	—	1740000	5.00	—	—
27	GIRISH TANDON	284600	0.82	0.82	284600	0.82	0.82	—
28	MIRAH DEKOR LTD	2649033	7.61	—	2649033	7.61	—	—
29	SAHITYA BHAWAN PVT LTD	233460	0.67	—	233460	0.67	—	—
30	ELECTRA LOGISTICS PVT LTD	194250	0.56	—	194250	0.56	—	—
31	ALANKAR UDYOG PVT LTD	203400	0.58	—	203400	0.58	—	—
	TOTAL	24181381	69.44	0.82	24181381	69.43	0.82	—

(iii) Change in Promoter's Shareholding (Specify if there is no Change)

Sl. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	At the beginning of the year	No Change during the year			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	No Change during the year			
	At the end of the year	No Change during the year			

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

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ganges Leasing and Finance Company Limited	1500000	4.31	1500000	4.31
2	Competent Finanical Services Limited	1450000	4.16	1450000	4.16
3	Bina Chaturvedi	650000	1.87	650000	1.87
4	Mohit Chaturvedi	650000	1.87	650000	1.87
5	Sangeetha S	612935	1.76	612935	1.76
6	Vinod Chandra Mansukhlal Parekh	364499	1.05	364499	1.05
7	S Sathya	309690	0.89	309690	0.89
8	B M Chaturvedi Financial & Strategic Services Private Limited	250000	0.72	250000	0.72
9	Ketan H Mehta	208650	0.60	308650	0.89
10	Pranav Kumarpal Parekh	174504	0.50	174504	0.50

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(v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Name of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Girish Tandon (I)				
	At the beginning of the year	284600	0.82	284600	0.82
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	—	—	—	—
	At the end of the year	284600	0.82	284600	0.82
2	Shri Alankar Tandon (I)				
	At the beginning of the year	248000	0.71	248000	0.71
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	248000	0.71	248000	0.71
3	Shri Badri Vishal Tandon (I)				
	At the beginning of the year	246998	0.71	246998	0.71
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	At the end of the year	246998	0.71	246998	0.71
4	Shri Saran Vinod				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
5	Shri C M Krishna				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
6	Shri Atul seth				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
7	Brig.(Retd) Shri Rajeev Lochan Singh SC				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year				

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8	Smt Lakshmi Kumari				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
9	Shri R M Pandey				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—
10	Smt Babita Jain				
	At the beginning of the year	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	At the end of the year	—	—	—	—

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1540065274	556820087	—	2096885361
ii) Interest due but not paid	524090217	—	—	524090217
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	2064155491	556820087		2620975578
Change in Indebtedness during the financial year				
Additions (Provision of interest)	228130190	—	—	228130190
Reduction	—	3260980	—	3260980
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount	1540065274	553559107	—	2093624381
ii) Interest due but not paid	752220407	—	—	752220407
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	2292285681	553559107		2845844788

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VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager

SI No	Particulars of Remuneration	Shri Girish Tandon Managing Director	Shri Alankar Tandon Executive Director	Total amount (Rs in lacs)
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act 1961.	—	—	—
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—	—
2	Stock option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit	—	—	—
5	Others, please specify	—	—	—
	Total (A)	—	—	—
	Ceiling as per the Act	—	—	—

B. Remuneration to other Directors

SI.No	Particulars of Remuneration	Name of the Directors				
		Shri C M krishna	Brig. Retd. Shri R L Singh SC	Shri Atul Seth	Shri Saran Vinod	Total Amount (Rs.)
1	Independent Directors					
	(a) Fee for attending Board Committee Meetings	8500	29000	29000	46000	112500
	(b) Commission	—	—	—	—	—
	(c) Others, please specify	—	—	—	—	—
	Total (1)	8500	29000	29000	46000	112500
2	Other Non Executive Directors					
	(a) Fee for attending Board Committee Meetings		53000	25000		78000
	(b) Commission		—	—		—
	(c) Others, please specify.		—	—		—
	Total (2)		53000	25000		78000
	Total (B)=(1+2)					190500

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B. Remuneration to key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961.	727200	673800	1401000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	as % of profit	—	—	—
5	Others, please specify	—	—	—
	Total	727200	673800	1401000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

Annexure C

Details pertaining to Remuneration

As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

Sl.No.	Name of the Director/ KMP and Designation	Remuneration of Director /KMP for financial year 2015-16 (Rs. in lacs)	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees
1	Shri Girish Tandon Managing Director	NIL	NA	NA
2	Shri Alankar Tandon Executive Director	NIL	NA	NA
3	Shri Roop Mani Pandey Chief Financial Officer	6.74	-1.61	11.62
4	Smt. Babita Jain Company Secretary	7.27	-2.94	12.53

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 0.58 lacs p.a;

- (iii) In the financial year, there was no increase in the median remuneration of employees;

- (iv) There were 292 permanent employees on the rolls of the Company during 2015-16;

Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs.60,00,000/- per annum.

NIL

Employed for a part of the financial year, were in receipt of remuneration at the rate of not less than Rs.5,00,000/- per month.

NIL

Remuneration for this purpose has been calculated on actual receipt basis and excludes any benefit accrued but not paid.

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Annexure D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

CONSERVATION OF ENERGY

- (a) More efficient boiler furnace cleaning equipment has been installed for efficient heat transfer and reduction in down time of boiler.
- (b) Soot blower has been installed in the new high pressure boiler resulting in reduced down time of boiler.
- (c) Variable frequency drives have been installed on some higher rating motors to economise the power consumption.
- (d) Ceramic drainage elements have been installed on higher capacity paper machine, which has reduced load & thereby power consumption
- (e) To reduce steam consumption, thermo compressor has been installed. Steam audit is being carried out to plug the leakages.
- (f) The Company is augmenting pulp from Waste Paper Deinking plant which will further reduce the power consumption per unit of production.
- (g) The required data as per Form A to the Annexure to the aforesaid Rules is furnished below:

A. Power and Fuel Consumption

	Current Year Ended 31.03.2016	Previous Year Ended 31.03.2015
1. Electricity		
(a) Purchased Units	0.33	59.38
Total Amount	3.88	510.86
Rate/Unit	11.66	8.60
(b) Own Generation		
Through Diesel Generators		
Units (KWH in Lacs)	0.00	0.00
Units per litre of diesel oil	0.00	0.00
Diesel (Rs./Litre)	0.00	0.00
Rate/Unit (Rs)	0.00	0.00
Through Steam Turbine		
Units (KWH in Lacs)	0	43.29
Units per Tonne of Fuel	0	358
Rate/Unit(Rs.)	0	12.35
2. Paddy Husk		
Quantity (Tonnes)	30	11945
Total Cost (Rs. in Lacs)	0.92	366.83
Average Rate (Rs./Tonne)	3071	3071

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B. Consumption Per Unit Production

Production (Tonnes)	25	7499
Electricity* (Units/Tonne)	1315	1369
Paddy Husk**(Tonnes/Tonne)	1.18	2.32

* Inclusive of consumption for operation of Power House.

** Paddy Husk is used as fuel for producing steam which is used for Paper manufacturing and Power Generation.

II. TECHNOLOGY ABSORPTION

The required particulars in Form-B with respect to technology absorption are as under:

Research and Development (R & D)

1. R & D activities are carried out on continuous basis to improve process parameters, to save cost and / or better productivity.
2. For future, it is planned to carry out R&D in various areas of Mills to further improve the working.

Expenditure in R&D:

(a) Capital	:	NIL (Previous Year Rs. NIL)
(b) Recurring	:	NIL (Previous Year Rs. NIL)
(c) Total	:	NIL (Previous Year Rs. NIL)
(d) Total R&D Expenditure as a Percentage of total turnover	:	NIL (Previous Year Rs. NIL)

Technology Absorption, Adoption and Innovation

1. Efforts

Suitable steps are being taken in the Waste Paper Deinking Plant to reduce chemicals and energy consumption, as well as to improve quality of finished products.

2. Benefits

The new plant has stabilized only in March 2008 and hence benefits will accrue on restart of the Plant.

3. Imported technology (Imported during the last 5 years): NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. We have been exporting paper to Nepal, Middle East countries and will explore the export market for MG Paper on restart of production.
2. Foreign Exchange earnings and outgo.

Foreign exchange earnings during the period were Rs. NIL (Previous Year Rs. NIL) and total foreign exchange outgo during the year amounted to about Rs. NIL (Previous Year Rs. 337.46 lacs) on account of import of raw materials, stores & spares.

CORPORATE GOVERNANCE REPORT

Corporate Governance & Company's Philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value & discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, employees etc.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. Your Company is committed to attain highest standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvements of internal controls and sound investor relations.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has executed fresh Listing Agreement with Bombay Stock Exchange where the shares of the Company are listed.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement and applicable Regulations under SEBI Listing Regulations with regard to Corporate Governance. In accordance with the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and SEBI Listing Regulations, the Report containing the details of corporate governance systems processes of the Company for the year ended 31st March, 2016 as follows:

Board of Directors

The composition of the Board, attendance of the Board Meeting held during the year and at the last Annual General Meeting, number of Directorships in other companies and committees as on 31st March, 2016 are given below:

Name of the Director	Category	No. of outside directorship in other Public Companies held	No. of Committee Membership/ Chairmanship	No. of Board Meetings		Attended Last AGM
				Held	Attended	
Shri Girish Tandon Managing Director DIN:0109528	Promoter Executive	—	1	5	5	Yes
Shri Alankar Tandon Director DIN: 0110512	Promoter Non-Executive	—	1	5	5	Yes
Shri Badri Vishal Tandon DIN: 0108408	Non-Independent Non-Executive	—	2	5	5	Yes
Shri C M Krishna DIN: 0109574	Independent Non-Executive	—	3	5	1	No
Brig.(Retd.) R.L.Singh SC DIN: 02237679	Independent Non-Executive	—	2	5	3	No
Shri Atul Seth DIN: 01083740	Independent Non-Executive	—	2	5	3	No
Shri Saran Vinod DIN: 06548248	Independent Non-Executive	—	2	5	5	Yes
Smt Lakshmi Kumari DIN: 07134683	Non-Executive Woman Director	—	—	5	5	No

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The Company's Board comprises individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, finance and accounting. All Board Members have a significant business experience. The Board Members are fully aware of their roles and responsibilities in the discharge of the key functions. The Board Members strive to meet the expectations of operational transparency to stakeholders, whilst simultaneously maintaining confidentiality of information to the extent required.

The Board of Directors of the Company have an optimum combination of executive and non-executive Directors and independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring wide range of skills and experience to the Board. The non-executive Directors constitute more than half of the total numbers of Directors and the numbers of Independent Directors are also half of the total strength. The Board of the Company comprises eight Directors - one Executive Director and seven Non-Executive Directors, of whom four are Independent Directors. The current strength of the Board includes one Woman Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Director.

The independent Directors of the Company are non executive directors as defined under Regulation 16(1) (b) of SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. In compliance of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, Independent directors have made declaration to the Company in prescribed format regarding their independence status.

The Board of Directors of the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of the Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company – www.shbhawani.com. The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2016.

Five Board Meetings were held during the year and the gap between the two meetings did not exceed one hundred twenty days. The dates on which the Board Meetings held are on 30th May, 2015, 11th August, 2015, 10th November, 2015, 12th February, 2016 and 28th March, 2016

Presently, the day-to-day operations of the Company are entrusted with Managing Director of the Company subject to superintendence, control and direction of the Board of Directors.

The present tenure of office of Shri Girish Tandon as Managing Director and Shri Alankar Tandon as Executive Director expired on 31st March, 2016. The Board of Directors, having regard to the present situation of the Company and closure of manufacturing facility, decided to recommend the re-appointment of Shri Girish Tandon as Managing Director of the Company, for a further period of three years subject to requisite approvals. After the improvement in situation, the other appointment may be considered.

Your Directors expressed their deep appreciation for valuable contributions of Shri Alankar Tandon to the Company as Executive Director the Company but he shall continue to remain the Non Executive Director on Board.

Shri Alankar Tandon, Director, is retiring by rotation, being eligible and offers himself for re-election, has given his consent for the same.

The Brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the Annual Report.

Board Familiarisation Programme

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013, and Clause 49 of the Listing Agreement and other relevant regulations as amended from time to time.

At various Board meeting during the year, quarterly presentations are made on operations that include information on business performance, operations, project, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances etc.

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With a view to familiarize him / her with the Company's operations, the Managing Director has a personal discussion with the Directors. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/ her to effectively fulfill his/ her role as a Director of the Company. The Familiarisation Programme is available on Company website www.shbhawani.com.

Audit Committee

The Audit Committee of the Company is constituted in line with the Provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Companies Act, 2013.

The Audit Committee, presently, comprises of five non-executive Directors out of which four are independent. The composition of Audit Committee and record of attendance during the year under review is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri Badri Vishal Tandon	4	4
Brig.(Retd) R. L. Singh SC	4	2
Shri C.M. Krishna	4	1
Shri Atul Seth	4	3
Shri Saran Vinod	4	4

The Company Secretary shall act as Secretary of the Audit Committee.

The Audit Committee has been mandated with the same terms of reference as specified in Regulation 18 of SEBI Listing Regulations read with Section 177 of the Companies Act, 2013. The Committee reviews various areas of Audit and Accounts. All important financial statements such as periodical unaudited/audited results, operating statements are reviewed/ approved by the committee before submission to the Board. Brief terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for Appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to Board for approval;

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6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and marking appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions submitted by the management;
 - c. Management letter/letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.
 - f. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

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- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
22. The audit committee shall review the information required as per SEBI Regulations.
23. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Managerial Remuneration

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company presently comprises of four Independent non-executive Directors. The composition of Remuneration Committee and record of attendance during the year under review is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri C M Krishna	2	0
Brig.(Retd) R. L. Singh SC	2	2
Shri Saran Vinod	2	2
Shri Atul Seth	2	1

The Company Secretary shall act as Secretary of the Remuneration Committee.

The broad terms of reference to the Committee the terms of reference as under:

- i) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- ii) To carry out evaluation of every Director's performance;
- iii) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- iv) To formulate the criteria for evaluation of Independent Directors and the Board;
- v) To devise a policy on Board diversity;
- vi) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- vii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- viii) To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Company does not have any employee stock option scheme.

At present, no remuneration is paid to non-executive Directors except sitting fees for attending the Meetings of the Board or Committee thereof. The remuneration paid to executive directors is decided by the Board of Directors within the limits laid down under the provisions of the Companies Act, 2013 subject to approval of the members, in General Meeting.

The detailed Appointment Policy adopted by the Company is being pasted on website of the Company www.shbhawani.com

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder's relationship committee. The Directors expressed their satisfaction with the evaluation process.

Details of Remuneration paid to Executive Directors

Because of suspension of production in the Company from October, 2014, Shri Girish Tandon and Shri Alankar Tandon has not taken any salary since April, 2015 as decided in Board Meeting held on 11th August, 2015 which they had kindly consented for the same. However, the Ministry of Company Affairs approved the total remuneration of Rs. 18,00,000/- (Rupees eighteen lacs only) per annum vide their Letter Nos.SRN/B76144278/ 3/2013-CL-VII and SRN/ B76151513/3/2013-CL-VII both dated 27th February, 2014.

Sitting Fee paid to Non-Executive Directors

Remuneration by way of sitting fees for attending the Meeting of the Board/Committee's thereof from 1st April, 2015 to 31st March, 2016 is given below:

Sl.No.	Name of Director	Amount (Rs.)
1.	Shri Badri Vishal Tandon	46000.00
2.	Shri C M Krishna	8500.00
3.	Brig.(Retd) R. L. Singh	29000.00
4.	Shri Saran Vinod	53000.00
5.	Shri Atul Seth	29000.00
6.	Smt Lakshmi Kumari	25000.00

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee comprises of following four Directors:

Shri Badri Vishal Tandon, Chairman

Shri C M Krishna

Shri Girish Tandon

Shri Alankar Tandon

The said Committee would also recommend measures for overall improvement of quality of Investors Services. The broad terms of reference to the Committee the terms of reference as under:

- i) Oversee and review all matters connected with the transfer of the Company's securities
- ii) Approve issue of the Company's duplicate share/ debenture certificates
- iii) Monitor redressal of investors'/ shareholders'/ security holders' grievances
- iv) Oversee the performance of the Company's Registrars and Transfer Agents
- v) Recommend methods to upgrade the standard of services to investors
- vi) Monitor implementation of the Company's Code of Fair Disclosure and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.
- vii) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

SHREE BHAWANI PAPER MILLS LIMITED

The Committee keep watch on the performance of the share transfer works and recommends measures to improve the investors' services. The Committee looks into the redressal of investors' complaint like share transfer, non receipt of Annual Report and dividend payment, issue of duplicate shares, transmission of shares and all other allied transactions. The Committee had delegated the power of share transfer to Smt. Babita Jain, Company Secretary, who is also designated as the Compliance Officer, and M/s. Skyline Financial Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company to attend the share transfer formalities thrice a month to expedite the process of share transfer and transmission, etc. They meet quite often to expedite all the matter relating to transfer of shares etc.

Outstanding complaints as on 31st March, 2016 - NIL

The number of share transfer pending as on 31st March, 2016 - NIL.

During the year, the stakeholders' Relationship Committee had four Meetings.

Independent Directors Meeting

During the year, the Independent Directors met on 12th February, 2016 to:

- i) Review the performance of Non-Independent Directors and the Board as a whole.
- ii) Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- iii) Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Details of Shareholding of Directors as on 31.03.2016

SI. No.	Name of Director	No. of Shares held
1	Shri Girish Tandon(I)	*284600
2.	Shri Alankar Tandon (I)	248000
3.	Shri Badri Vishal Tandon (I)	246998
4.	Shri C M Krishna	NIL
5.	Brig. (Retd.) Shri R.L.Singh SC	NIL
6.	Shri Saran Vinod	NIL
7.	Shri Atul Seth	NIL
8.	Smt Lakshmi Kumari	NIL

* Shri Girish Tandon, Managing Director, has pledged his shares in favour of bankers of the Company as collateral security for sanction of term loan facilities to the Company.

SHREE BHAWANI PAPER MILLS LIMITED

General Body Meetings

Location and time of the last four Annual General Meetings held

Year	Location	Date	Time
2012-13 AGM	Regd. Off: 33, Dayanand Marg Allahabad-211002	28.06.2013	11.30 AM
2013-14 AGM	Regd. Off: 33, Dayanand Marg Allahabad-211002	26.09.2014	11.30 AM
2014-15 AGM	Regd. Off: 33, Dayanand Marg Allahabad-211002	30.09.2015	11.30 AM
2015-16 AGM	Regd. Off: 33, Dayanand Marg Allahabad-211002	29.09.2016	11.30 AM

No Special Resolution was put through Postal Ballot in last years, nor has any been proposed for this year.

Book Closure

24th September, 2016 to 29th September, 2016 (Both days inclusive)

Code of Conduct

The Code of Conduct for the Directors and the senior management of the Company has been laid down by the Board and the same is posted on the website of the Company viz. www.shbhawani.com. The Company has obtained from all Board members and senior management affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2015-16. A declaration signed by Managing Director about affirmation of Code of Conduct by Board Members and Senior Management Personnel is as follows:

**Declaration regarding Compliance by Board Members and Senior Management
Personnel with the Company's Code of Conduct**

This is to confirm that a Code of Conduct has been adopted by the Board of Directors of the Company and the said Code of Conduct has been posted on the website of the Company and has been circulated to all the Board members and the employees of the Company.

All board members and senior management personnel have affirmed compliance with said Code of Conduct, for the year ended 31st March, 2016.

Sd/-
Girish Tandon
Managing Director

Place: Allahabad
Dated: 24th May, 2016

Disclosures

A. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

The details of the related party transactions during the year in terms of Accounting Standard AS-18 have been set out under Note 31 of the Notes forming part of financial statements. However, the Company has not entered into any transaction of material nature with the Promoters, Directors and Management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company.

B. Disclosure of accounting treatment in preparation of Financial Statements

The Company follows the accounting standards and guidelines laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. No material financial and commercial transactions were reported by the management to the Board, in which the management had any personal interest that either had or could have had a material conflict with the interest of the Company at large. There were no transactions with the Directors or Management, their associates or their relatives etc. that either had or could have had a conflict with the interest of the Company at large.

C. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of this Annual Report.

D. Details of non compliance by the Company

The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India and other Statutory Authorities relating to capital markets during the last three years. The Company is in receipt of SEBI Adjudication Order No ASK/RGA/AO/38/2014-15 dated 31.07.2014 under Rule 4 of SEBI (Procedure of Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995 from Securities and Exchange Board of India which relates to 2 days & 5 days delay in submitting annual return under Rule 8(3) of SAST Regulations, 1997 in the year 1998 & 2001 imposed a penalty of Rs 25000/- (Rupees twenty five thousand only). The Company has filed an appeal before Hon'ble Securities Appellate Tribunal. The Company has withdrawn Appeal No.375 of 2014 before the Security Appellate Tribunal (SAT) and paid the penalty of Rs.25000/- levied by SEBI as per aforesaid order.

E. Details of Compliance with mandatory requirements

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement of Bombay Stock Exchange and Regulation 17 to 27 and other applicable Regulations of SEBI Listing Regulations. The Company has submitted the quarterly compliance report to the stock exchanges within the prescribed time limit.

F. Vigil Mechanism /Whistle Blower Policy

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the code of conduct. The detailed policy is available on Company website www.shbhawani.com

G. Compliance Certificate pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015 Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Managing Director and Chief Financial Officer has submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 24th May, 2016.

H. The Board of Directors is apprised about Risk Management framework, methodology for categorization of risk and mitigation plan.

I. The Auditors of the Company have issued necessary certificate pursuant to Clause 49 of the Listing Agreement and SEBI Listing Regulation and the same is reproduced and forms the part of the Annual Report.

SHREE BHAWANI PAPER MILLS LIMITED

Means of Communication

In order to support the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, the Company sent annual reports, notices relating to General Meetings by e-mail to those shareholders whose e-mail ids are registered with the Company. Hard copies are sent to those shareholders whose e-mail ids are not registered with the Company.

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these are approved and taken on record by the Board in accordance with the requirements of SEBI regulations. These financial results are normally published in daily newspapers.

In accordance with the SEBI Regulations, Shareholding Pattern, Quarterly Results, Annual Report, other quarterly compliances and all other corporate communications to BSE are sent to the Bombay Stock Exchange, where the securities of the Company are listed, within stipulated time are filed electronically on BSE's on line portal. As applicable, these are also displayed on the website of the Company www.shbhawani.com

General Shareholders Information

Annual General Meeting

Date & Time : 29th September, 2016, 11.30 AM
Venue : Regd. Office: 33, Dayanand Marg, Allahabad-211002

Listing

Bombay Stock Exchange Ltd.
Phiroze JeeJee bhoy Tower
Dalal Street
Mumbai

Scrip Code with BSE

502563

ISIN Number on NSDL & CDSL

ISIN INE 688 C 01010

Unclaimed Dividend

Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has not declared any dividend thereafter till the year under review.

Registrar & Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153, First Floor, Okhla Industrial Area, Phase- I,
New Delhi 110020

Tel: 011 64732681 to 88
Fax: 011 26812684

Share Transfer System

Share transfer in physical form can be lodged with Skyline Financial Services Pvt. Ltd. at their above mentioned address. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Company Secretary and Registrars are empowered to approve the transfer of shares. Grievances received from members and other miscellaneous correspondence on change of address, mandates etc are processed by Registrar within 10 to 15 days.

SHREE BHAWANI PAPER MILLS LIMITED

Distribution of Shareholding as on 31.03.2016

No. of Shares	No. of Shareholders	%age	No. of Shares	%age
Up to 500	2100	68.31	408232	1.17
501-1000	412	13.40	343154	0.99
1001-5000	397	12.92	923542	2.65
5001-10000	67	2.18	454364	1.30
10001 & above	98	3.19	32697932	93.89
Total	3074	100.00	34827224	100.00

Shareholding Pattern of Equity Shares as on 31.03.2016

Category	No. of Shares	% age of Shareholding
Promoter's Holding (Including person acting in concert)	24181381	69.43
Institutional Investors	1400	0.01
Private Corporate	3646063	10.47
NRIs	12226	0.04
Indian Public	6986154	20.05
Total	34827224	100.00

Top Ten Shareholders as on 31.03.2016

Sl. No.	Name of the Shareholder	Number of Shares held	% of Total Equity
1	Ganges Leasing & Finance Company Ltd	1500000	4.31
2	Competent Financial Services Pvt Ltd	1450000	4.16
3	Bina Chaturvedi	650000	1.87
4	Mohit Chaturvedi	650000	1.87
5	Sangeetha S	612935	1.76
6	Vinod Chandra Mansukhlal Parekh	364499	1.05
7	S Sathya	309690	0.89
8	Ketan H Mehta	308650	0.89
9	B M Chaturvedi Financial & Strategic Services Pvt Limited	250000	0.72
10.	Pranav Kumarpal Parekh	174504	0.50

SHREE BHAWANI PAPER MILLS LIMITED

Dematerialization of Shares

As on 31.03.2016, 99.14% i.e, 34527041 equity shares of Company's share capital are dematerialized and balance of 300183 shares are held in physical form. In order to facilitate the investors to have an easy access to demat system, the Company has joined with both depositories viz. National security Depository Limited (NSDL) and Central Depository Services (India) Ltd.(CDSL) through the Company's Registrar & Share Transfer Agent, Skyline Financial Services Pvt. Ltd., New Delhi.

Stock Price Data/ Stock Performance: Year 2015-16

- i) During the year under report, the high and low price of Company's Equity Shares on the Bombay Stock Exchange Limited was as under :-

Month	High	Low
April, 2015	2.54	2.42
May, 2015	2.41	2.18
June, 2015	2.74	2.52
July, 2015	3.01	2.74
August, 2015	2.99	2.85
September, 2015	4.30	3.13
October, 2015	4.65	4.30
December, 2015	5.09	3.74
January, 2015	4.83	4.32
February, 2015	4.83	4.83

- ii) Performance in comparison to BSE Sensex : Year 2015-16

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

Particulars	April, 2015	March,2016	% CHANGE
Company Share Price(High)	2.54	4.83	90.16%
SENSEX (High)	28,298.34	25,479.62	-9.96%

Books of Accounts

The books of accounts of the Company are kept at the Mills office at Raebareli.

Outstanding ADRs, GDRs, Warrant or any Convertible Instruments etc.

NIL

Plant Location

The paper plant of the Company is situated at
Industrial Area I
Sultanpur Road
Raebareli 229010

SHREE BHAWANI PAPER MILLS LIMITED

Registered Office

33, Dayanand Marg
Allahabad 211002

Address for correspondence

To contact R &TA for all matters
relating to Shares, Dividends,
Annual Reports

Skyline Financial Services Pvt. Ltd.
D-153 A, First Floor
Okhla Industrial Area, Phase - I,
New Delhi 110020
Phone 011 26812681-88
Fax 011 26812682

For any other general
matters or in case of
any difficulties/
Grievances

Company Secretary
Shree Bhawani Paper Mills Ltd.
33, Dayanand Marg, Allahabad 211002
Email: babitajain@shbhawani.com
Tel: 0532 2548404/2548406
Fax: 0532 2548425

Website of the Company

www.shbhawani.com

SHREE BHAWANI PAPER MILLS LIMITED

Brief Profile of Board of Directors

Brief profiles along with other details of the Board of Directors are as follows:

Name of the Director	Shri Girish Tandon, Managing Director
DIN No	0109528
Date of joining the Board	06.07.1979
Profile of the Director	Shri Girish Tandon, aged about 65 years, is MBA from Allahabad University and has more than 37 years experience with the Paper Industry. He started his carrier in publication business and promoted Shree Bhawani Paper Mills Ltd. He has been a Director of the Company since its inception i.e 1979. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	284600
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	Brother of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company.

Name of the Director	Shri Alankar Tandon
DIN No	0110512
Date of joining the Board	28.04.2008
Profile of the Director	Shri Alankar Tandon, aged about 45 years, is Commerce graduate and having more than 14 years experience in capital market and finance business and 8 years experience in paper industry. He has been Executive Director of the Company since 2008 up to 31 st March, 2016. Presently, Shri Alankar tandon is Non Executive Director on the Board. He is also a member of Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	248000
Directorship and Committee Membership in other Companies	Director in Sahitya Bhawan Pvt Ltd, Allahabad
Relationship with other Directors	Son of Shri Badri Vishal Tandon, Non Executive Director and Shareholder of the Company)

Name of the Director	Shri Badri Vishal Tandon
DIN No	0108408
Date of joining the Board	06.07.1979
Profile of the Director	Shri Badri Vishal Tandon, aged about 67 years, is a Law Graduate and has more than 43 years of experience as Advocate High Court, Allahabad. He has special expertise in tax matters. He has been a Director of the Company since inception and is also a member of Audit Committee and Stakeholders Relationship Committee of the Company.
No of Shares held in the Company in individual capacity	246998
Directorship and Committee Membership in other Companies	Director in Sahitya Bhawan Pvt.Ltd., Allahabad.
Relationship with other Directors	Elder Brother of Shri Girish Tandon, Managing Director, and Father of Shri Alankar Tandon, Director and Shareholder of the Company.

SHREE BHAWANI PAPER MILLS LIMITED

Name of the Director DINNo	Shri Saran Vinod 06548248
Date of joining the Board	18.03.2014
Profile of the Director	Shri Saran Vinod, aged about 65 years, is graduate from Lucknow University and has wide and varied experience in Sugar Industry. He is also a member of Audit Committee and Nomination & Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

Name of the Director DINNo	Shri C M Krishna 0109574
Date of joining the Board	22.08.1998
Profile of the Director	Shri C M Krishna, aged about 79 years, MA (Economics), LLB and has more than 43 years working experience in various corporate at higher managerial level. Presently, he is working as Consultant with the Industries. He has been Director of the Company since 1998 and is also a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

Name of the Director DINNo	Brig (Retd) Shri Rajeev Lochan Singh SC 02237679
Date of joining the Board	21.06.2008
Profile of the Director	Brig (Retd) Shri Rajeev Lochan Singh SC, aged about 66 years, has master's Degree in Management from Osmania University, Hyderabad. He has joined the Army in June, 1970. He was awarded 'Shaurya Chakra' by the President of India for outstanding gallantry in counter insurgency operations. He has vast experience of management of Medium and Large body of personnel in the Army. He has been a Director of the Company since 2008 and also member of Audit Committee and Nomination & Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

SHREE BHAWANI PAPER MILLS LIMITED

Name of the Director	Shri Atul Seth
DIN No	01083740
Date of joining the Board	18.03.2014
Profile of the Director	Shri Atul Seth, aged about 55 years, is Law Graduate and has more than 29 years experience in the Manufacturing Sector. He is also a member of Audit Committee and Nomination and Remuneration Committee of the Company.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	Director in Sterling Hosiery Industry (P) Limited, Kolkata
Relationship with other Directors	NIL

Name of the Director	Smt Lakshmi Kumari*
DIN No	07134683
Date of joining the Board	31.03.2015
Profile of the Director	Smt Lakshmi Kumari aged about 66 years, is graduate from Kanpur University and is self employed.
No of Shares held in the Company	NIL
Directorship and Committee Membership in other Companies	NIL
Relationship with other Directors	NIL

*Ceased to be Director wef 13.08.2016

COMPLIANCE CERTIFICATE
Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To

The Board of Directors
Shree Bhawani Paper Mills Ltd.
33, Dayanand Marg
Allahabad

This is to certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2016 and that to the best of their knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

GIRISH TANDON
MANAGING DIRECTOR

ROOP MANI PANDEY
CHIEF FINANCE OFFICER

Place: Allahabad
Date: 24th May, 2016

SHREE BHAWANI PAPER MILLS LIMITED

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

TO THE MEMBERS OF SHREE BHAWANI PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by SHREE BHAWANI PAPER MILLS LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 27 of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

We state that such compliance 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 P.L.GUPTA & CO,
CHARETERED ACCOUNTANTS**

**(P.L.GUPTA)
PARTNER
MEMBERSHIP NO.9444
Registration no 011575C**

**PLACE: ALLAHABAD
DATE: 13TH AUGUST, 2016**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Economic overview

The Indian economy has certainly performed creditably compared to the most developed and emerging markets of the world in the past year, growing in excess of 7% in FY16. Macro economic conditions are stable, consumer price inflation is well under control and the wholesale price inflation is in negative territory. The largest estimates of the Central Statistical Organization and the IMF suggest that India's GDP growth in FY17 will be at around 7.5%, which is highest amongst the emerging economies. All this augurs well for the cement industry.

The world economy slowed down further in calendar year 2015 on account of lower global economic growth, compared with calendar year 2014. Global activity continued to decelerate, triggered by slowing growth in emerging and developing markets as they contribute to about 70% of the global growth.

The paper Industry in India is growing in a rapid speed with demand increment and opportunity creation and attraction to the international players. The forecasted demand of Indian paper is 10 million tons and 33 percent of this demand is for P&W papers. Even though India has covered 15% of population in world, the paper consumption levels stands at very low which is 3 to 5 percent. The key challenges to be met is market conditions which are poor and technology obsolete, lacking ability in achieving economy scale and lack of skilled labor. Enabling a overall management and the holistic change which can incorporate better standards for the organizational efficiency.

Opportunities & Threats

The following competitive weaknesses and threats confront the Industry:

- Inadequate availability of virgin fibre resulting in high cost of raw materials.
- Small and fragmented industry structure.
- Environmental problems of most of the small pulp mills.
- High energy consumption and costs.
- Likely closures, owing to increasingly stringent environmental regulations.
- Paper manufacturers had to cope with several pressures including the depreciating rupee, high inflation, rising input prices, short supply of grid power, low liquidity, high interest rates, low demand growth and global recessionary trends.

Risk & Concerns

- The revival of the Company is dependent approval of Draft Rehabilitation Scheme at the earliest.
- The paper industry is one of the 18 highly polluting categories of industries, strict Pollution control norms are deterrent to the growth of paper industry.
- Undue fluctuation in the exchange rate between Indian Rupee and US Dollar will impact the margins of the Company.
- The Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 has stopped the production on all the three paper machines of the Company.
- The Company has installed state-of-art manufacturing facilities at the plant (nearly 75% of the total net block is brand new) including the De-inking plant, co-generation plant, CRP and the newly installed paper mill.

Operations & Reason for losses

The Central Pollution Control Board (CPCB) vide its Letter No.D-23012/1/PCI-III/5944-5948 has stopped the production on all the three paper machines of the Company in October, 2014. Conditional clearance of the same was received in March, 2015. Due to which, the financial position has further deteriorated. The Company is exploring various avenues to infuse the funds for revival of the Company.

Revival Plan

The Paper Mill of the Company is closed since October 2014 due to order by CPCB order to make modification in the Pollution Control Plant. This requires investment of nearly Rs. 2 Crores.

SHREE BHAWANI PAPER MILLS LIMITED

In the meanwhile, Government of Uttar Pradesh has issued Government Order (GO) no 1701/77-1-2015-10(BIFR)/09TC dated 7th December, 2015 which offers various benefits to eligible units, we are eligible and benefits available to us are as follows:

- Refund of 85% of paid VAT, CST (in case of GST, 85% of State Government share) including aforesaid taxes paid on raw material for 10 years.
- Total Electricity and other State Dues net of interest, surcharges be allowed to be repaid in 10 equal yearly installments after 2 years moratorium.
- To allow the sale of surplus land with land use conversion.

Our Company is in a position to avail the benefits provided we arrange funds for the Scheme and get Reliefs/Settlement with our Lenders. The Company is in advance stage of finalizing and submitting a Rehabilitation Scheme to Bank of Baroda, the Operating Agency appointed by BIFR. In the meanwhile, BOB and JM Financial ARC Private Limited have sent a notice under Sub section (2) of Section 13 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Looking into the urgency of the situation and in view of the cyclical natures of Paper Industry, the management is of the view, that the restructuring of the Company is only possible with fresh infusion of funds and also by sale of surplus land and machinery of the Company. The new paper machine and DIP has been sparingly used and has a long residual life. Therefore, the production should be restarted based on the new machines.

The pollution load of waste paper plant is much lower and can easily meet NGT standard. In the light, the profitability of Agro pulping and old paper machine should be reviewed to decide future course of action. The new paper machine can also be restarted with minimum gestation period. Proposal will be made to the lenders based on sustainable debt and relief will be sought accordingly. Part of dues of Secured Creditors can be paid over a short period of time by sale of surplus assets and land if the scheme is approved by PICUP and permission given by lenders.

Internal Control System and their adequacy

The Company has an adequate system of Internal Control implemented by the management to ensure proper safeguarding of the assets and protection against loss from unauthorized use or disposition. The Internal Control System is devised to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining the accountability of assets.

In addition, the Internal Audit work is conducted by independent professional firm of Chartered Accountants. The Internal Auditors have consistently expressed their satisfaction about adequacy of internal control systems and procedures followed by the Company for conducting its business efficiency. All issues raised by Internal Auditors are being suitably dealt with and rectified under the close monitoring of the Audit Committee.

Cautionary Statement

Statements in this Report on Management Discussion and Analysis describing the Company's, objective, projections, estimates, expectations or predictions may be "forward looking statements" with the meaning of applicable securities law or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw materials cost and availability, changes in government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or reverse any forward looking statements, on the basis of any subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREE BHAWANI PAPER MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Shree Bhawani Paper Mills Ltd. ("The Company"), which comprise the Balance sheet as at 31st March, 2016, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis of Qualified Opinion

- (a) As mentioned in Note No 40 of financial statements, the balances of some of the trade receivables, trade payables, lenders, and loans and advances are subject to confirmation/reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the financial statements for the year.
- (b) As mentioned in Note No.42 of financial statements, the Company became a sick industrial company within the meaning of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a sick industrial company by BIFR on 26th September 2013. These factors, along with other matters as set forth in the said note, raise doubt that the Company will be able to continue as a going concern. The Company has provided interest on Term Loan and other Bank Loans of Indian Bank and Bank of Baroda @10.50% with effect from 1st January 2013. Had the liability of interest been considered at the rate as sanctioned by the Banks the Loss for the year would have been Rs. 65,38,63,348/- as against the reported loss of Rs.51,37,95,177/-

SHREE BHAWANI PAPER MILLS LIMITED

- (c) As mentioned in Note No.29 of financial statements, the Company has not recognized additional net Deferred Tax Asset during the year. Net Deferred Tax Assets of Rs. 14 crores was recognized for the year ended 31.03.2012 based on the future profitability projections by the management. In the context of uncertainty of generation of profits in near future, Deferred Tax Assets has not been recognized.
- (d) As mentioned in Note No.33 of financial statements, the Company has provided gratuity liability on estimated basis amounting to Rs.11,13,962/- (Previous Year Rs.14,22,439/-). which is not in compliance with "Accounting Standard 15 - Employee Benefits" issued by The Institute of Chartered Accountants of India.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as at 31st March 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as at 31st March, 2016, from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
 - 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 financial statements-Refer Note no.23 .to the financial statements;
 - (ii) The Company has no long-term contracts as at 31st March, 2016.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

PLACE: ALLAHABAD
DATE: 24TH MAY, 2016

FOR P.L. GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. -011575C
(P.L GUPTA)
PARTNER
MEMBERSHIP NO. 009444

SHREE BHAWANI PAPER MILLS LIMITED

ANNEXURE-A

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON FINANCIAL STATEMENT OF SHREE BHAWANI PAPER MILLS LIMITED

Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date .

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. We are informed that the discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, 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, the requirements of clauses (iii) (a) and (b) of paragraph 3 of the Order are not applicable for the current year.
- (iv) As informed to us, the Company has not given any loans, made investments, given guarantees and security to any person or party covered under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public during the year under the provisions of Companies Act 2013. As informed no order has been passed by the Company law board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 in respect of the products of the Company. We have broadly reviewed the books of account and records maintained by the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and records of the Company examined by us, undisputed statutory dues including provident fund, employees' state insurance, Income tax, Sales Tax, Service Tax, duty of custom, duty of excise, value added tax, Cess and any other statutory dues have not been regularly deposited with the appropriate authorities. Further details of such dues which were outstanding for a period of more than six months from the date they became payable are as follows.

Name. of Statute	Period to which amount relates	Due Date	Amount (Rupees)	Date of payment
Employees State Insurance	June 2013 to Sept. 2015	July 2013 to Oct. 2015	4873573	Not yet deposited
Employees Provident Fund	Aug. 2012 to Sept. 2015	Sept. 2012 to Oct. 2015	22579526	Not yet deposited
Finance Act, 1994 Service Tax	Oct. 2013 to Sept. 2015	Nov. 2013 to Oct. 2015	541052	Not yet deposited
Income Tax Act, 1961 TDS	March 2014 to Sept. 2015	April 2014 to Oct. 2015	669737	Not yet deposited
Total			28663888	

SHREE BHAWANI PAPER MILLS LIMITED

- (b) According to the information and explanations given to us and records of the Company, the dues outstanding in respect of income tax, Sales Tax, Service Tax, duty of custom, duty of excise and value added tax on account of any dispute are as follows:

Name of Status	Nature of the dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending	Remarks, if any
Commercial Tax Uttar Pradesh	Penalty	28,000/-	2012-13	Addl. Comm. Tax, Allahabad	Deposit under Protest
Commercial Tax Uttar Pradesh	Penalty	88,000/-	2012-13	Addl. Comm. Tax, Allahabad	Deposit under Protest
Commercial Tax Uttar Pradesh	Penalty	53,400/-	2012-13	Tribunal Comm. Tax, Allahabad	Deposit under Protest
Commercial Tax Uttar Pradesh	Penalty	50,000/-	2011-12	Tribunal Comm. Tax, Allahabad	Deposit under Protest
Commercial Tax Uttar Pradesh	Central Sales Tax	6,48,582/-	2009-10	Tribunal Comm. Tax, Allahabad	2nd Appeal
Commercial Tax Uttar Pradesh	Central Sales Tax	4,98,560/-	2010-11	Tribunal Comm. Tax, Allahabad	2nd Appeal
Commercial Tax Uttar Pradesh	Central Sales Tax	21,99,000/-	2011-12	Addl. Comm. Tax, Allahabad	1st Appeal
Commercial Tax Uttar Pradesh	Central Sales Tax	7,19,213/-	2012-13	Addl. Comm. Tax, Allahabad	1st Appeal
Commercial Tax Uttar Pradesh	Central Sales Tax	2,19,371/-	2013-14	Addl. Comm. Tax, Allahabad	1st Appeal
Commercial Tax Uttar Pradesh	Value Added Tax	5,95,235/-	2013-14	Addl. Comm. Tax, Allahabad	1st Appeal
UP Tax on Entry of Good into Local Area Act, 2007	Entry Tax	1,26,473/-	2013-14	Addl. Comm. Tax, Allahabad	1st Appeal
Total		52,25,834/-			

- (viii) According to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to banks. Details of such defaults are as follows:

SHREE BHAWANI PAPER MILLS LIMITED

Name of Bank	Period	Installment Amount	Period	Interest Amount	Total overdues as on 31st March 2016
Bank of Baroda T/L-III-	July 2012 to March 2016	11,25,00,000/-	August 2012 to March 2016	8,54,83,992/-	19,79,83,992/-
Bank of Baroda T/L-IV	July 2012 to March 2016	1,17,18,750/-	August 2012 to March 2016	89,49,865/-	2,06,68,615/-
Bank of Baroda T/L-V	April 2013 to March 2016	3,18,75,000/-	August 2012 to March 2016	4,22,25,597/-	7,41,00,597/-
Bank of Baroda WCTL	April 2015 to March 2016	2,71,42,856/-	August 2012 to March 2016	9,37,94,127/-	12,09,36,983/-
Bank of Baroda Corporate Loan	April 2013 to March 2015	10,00,00,000/-	August 2012 to March 2016	4,93,59,707/-	14,93,59,707/-
Indian Bank /T/L-III	July 2012 to March 2016	11,25,00,000/-	August 2012 to March 2016	8,09,53,750/-	19,34,53,750/-
Indian Bank T/L-IV	July 2012 to March 2016	1,17,18,750/-	August 2012 to March 2016	82,99,351/-	2,00,18,101/-
Indian Bank T/L-V	April 2013 to March 2016	3,18,75,000/-	August 2012 to March 2016	4,30,69,086/-	7,49,44,086/-
Indian Bank T/L-VI	April 2014 to March 2016	4,00,00,000/-	August 2012 to March 2016	7,81,17,963/-	11,81,17,963/-
Bank of Baroda (CC A/c)					17,90,98,257/-
Bank of Baroda Devolved LC					4,40,76,843/-
Indian Bank (CC A/c)					56,87,45,387/-
Indian Bank Guarantee					58,19,311/-
TOTAL		47,93,30,356/-		49,02,53,438/-	1,76,73,23,592/-

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Companies (Auditor's Report) Order 2016 are not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year. Nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us, managerial remuneration has not been paid or provided during the year since remuneration has been foregone by Directors.
- (xii) The Company is not the Nidhi Company. Accordingly, the clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

SHREE BHAWANI PAPER MILLS LIMITED

- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with them during the year.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR P.L. GUPTA & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 011575C**

**PLACE : ALLAHABAD
DATE : 24TH MAY, 2016**

**(P.L. GUPTA)
PARTNER
Membership No. 009444**

ANNEXURE- B

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF SHREE BHAWANI PAPER MILLS LIMITED.

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 BHAWANI PAPER MILLS LIMITED ("the Company") as at 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India (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 Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

SHREE BHAWANI PAPER MILLS LIMITED

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on 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.

**FOR P.L. GUPTA & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 011575C**

**PLACE : ALLAHABAD
DATE : 24TH MAY, 2016**

**(P.L. GUPTA)
PARTNER
MEMBERSHIP NO. 009444**

SHREE BHAWANI PAPER MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

		(Rupees)	
	NOTE NO.	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	348113645	348113645
(b) Reserves and Surplus	2	-2481960005	-1968164828
2. NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	3	2048104990	1902627514
(b) Long Term provisions	4	2509984	4381078
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	5	797739798	718348064
(b) Trade Payables	6	235725282	158793367
(c) Other Current Liabilities	7	231189488	194783095
(d) Short Term Provisions	8	-	239590
TOTAL		1181423182	1359121525
II. ASSETS :			
1. NON-CURRENT ASSETS			
(A) FIXED ASSETS			
(i) Tangible Assets	9	841116424	927581812
(ii) Intangible Assets	9	3081200	6162400
(iii) Capital Work-in-Progress	9	96290080	96290080
(B) Non-Current Investments	10	3640	3640
(C) Deferred Tax Assets (Net)	29	140000000	140000000
(D) Long-Term Loans and Advances	11	9773045	7792146
2. CURRENT ASSETS			
(A) Inventories	12	19843915	52444357
(B) Trade Receivables	13	54502844	66359927
(C) Cash and Cash Equivalents	14	1796782	1092098
(D) Short-Term Loans and Advances	15	15015252	61395065
TOTAL		1181423182	1359121525
Significant Accounting Policies & Notes on Financial Statements 1 to 44			

Notes referred to above form an integral part of financial statements.
As per our report of even date attached.

**FOR P. L. GUPTA & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 011575C**

**(P. L. GUPTA)
PARTNER
MEMBERSHIP NO.009444**

**GIRISHTANDON
MANAGING DIRECTOR**

**BABITA JAIN
COMPANY SECRETARY**

**ALANKAR TANDON
BADRI VISHAL TANDON
C.M. KRISHNA
SARAN VINOD
LAKSHMI KUMARI** } **DIRECTORS**

**PLACE : ALLAHABAD
DATED : 24TH MAY, 2016**

**R.M. PANDEY
CHIEF FINANCIAL OFFICER**

SHREE BHAWANI PAPER MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rupees)			
PARTICULARS	NOTENO.	YEARENDED 31 ST MARCH, 2016	YEARENDED 31 ST MARCH, 2015
I. REVENUE FROM OPERATIONS			
(GROSS)	16	1992282	289336780
Less : Excise Duty		29253	6507509
REVENUE FROM OPERATIONS (NET)		1963029	282829271
II. OTHER INCOME			
	17	7985690	8140666
III. TOTAL REVENUE (I+II)			
		9948719	290969937
IV. EXPENSES			
(a) Cost of Material Consumed	18	-	200432052
(b) Changes in inventories of finished Goods, Work-in-Progress and Stock-in-Trade	19	1558509	6132982
(c) Employee Benefits Expense	20	31317535	69806213
(d) Finance Costs	21	213413876	205839104
(e) Depreciation and amortization Expense	9	89319278	91262018
(f) Other Expenses	22	164595840	272628205
TOTAL EXPENSES		500205038	846100574
V. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)			
		-490256319	-555130637
VI. Exceptional Items			
	37	24747402	
VII. PROFIT BEFORE TAX (V-VI)			
		-515003721	-555130637
VIII. LESS : TAX EXPENSE			
(a) Income Tax adjustment of earlier years		1208544	-
(b) Deferred Tax		-	-
IX. PROFIT FOR THE YEAR			
		-513795177	-555130637
X. Earning per Equity Share			
(of Rs. 10/-each)	30		
(a) Basic		-14.75	-15.94
(b) Diluted		-14.75	-15.94

Significant Accounting Policies and

Notes on Financial Statements 1 to 44

Notes referred to above form an integral part of financial statements
As per our report of even date attached.

**FOR P. L. GUPTA & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 011575C**

**(P. L. GUPTA)
PARTNER
MEMBERSHIP NO.009444**

**GIRISH TANDON
MANAGING DIRECTOR**

**BABITA JAIN
COMPANY SECRETARY**

**R.M. PANDEY
CHIEF FINANCIAL OFFICER**

**ALANKAR TANDON
BADRI VISHAL TANDON
C.M. KRISHNA
SARAN VINOD
LAKSHMI KUMARI** } **DIRECTORS**

**PLACE : ALLAHABAD
DATED : 24TH MAY, 2016**

SHREE BHAWANI PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	(RUPEES) Year Ended 31 ST MARCH, 2016	(RUPEES) Year Ended 31 ST MARCH, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	-513795177	-555130637
Adjustment for :		
Depreciation	89319278	91262018
Interest Expenses	218250602	205474540
Interest Income	-586444	-10850
Dividend Income	-168	-5508
Profit on Sale of Long Term Investments	-	-179217
Loss on Sale of Vehicles	84451	-
Extraordinary items	<u>29365939</u>	<u>108158603</u>
	<u>-177361519</u>	<u>-150431051</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustment for:		
Trade & Other receivables	56255997	60343684
Inventories	32600442	64161153
Trade payable and other liabilities	<u>111227624</u>	<u>86059391</u>
CASH GENERATED FROM OPERATIONS	<u>22722544</u>	<u>60133177</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
	22722544	60133177
Extraordinary items	-29365939	-108158603
NET CASH FROM OPERATING ACTIVITIES ...A	<u>-6643395</u>	<u>-48025426</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-980535
Dividend received	168	5508
Interest received	586444	10850
Sale of Long Term Investments	-	470417
Sales of Vehicles	142857	
NET CASH USED IN INVESTING ACTIVITIES ...B	<u>729469</u>	<u>-493760</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-4274390	-12943207
Net Increase/(Decrease) in Cash Credit Utilisation	-	-
Deposits	10893000	61286166
Interest paid		- 609288
NET CASH FROM FINANCING ACTIVITIES ...C	<u>6618610</u>	<u>47733671</u>

SHREE BHAWANI PAPER MILLS LIMITED

	Year Ended 31STMARCH, 2016	(RUPEES) Year Ended 31STMARCH, 2015
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>704684</u>	<u>-785515</u>
CASH AND CASH EQUIVALENTS (Opening Balance)	<u>1092098</u>	<u>1877613</u>
CASH AND CASH EQUIVALENTS (Closing Balance)	<u>1796782</u>	<u>1092098</u>

Note: Previous Year's figures have been regrouped, wherever necessary.

As per our report of even date attached.

FOR P. L. GUPTA & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 011575C

(P. L. GUPTA)
PARTNER
MEMBERSHIP NO. 009444

GIRISH TANDON
MANAGING DIRECTOR

BABITA JAIN
COMPANY SECRETARY

PLACE : ALLAHABAD
DATED : 24TH MAY, 2016

R.M. PANDEY
CHIEF FINANCIAL OFFICER

ALANKAR TANDON
BADRI VISHAL TANDON
C.M. KRISHNA
SARAN VINOD
LAKSHMI KUMARI } DIRECTORS

SHREE BHAWANI PAPER MILLS LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31st March, 2016	(RUPEES) As at 31st March, 2015
NOTE 1 : SHARE CAPITAL		
(1) AUTHORISED		
EQUITY SHARES : RS. 10/- PAR VALUE 350,00,000 Equity Shares	350000000	350000000
PREFERENCE SHARES : RS. 10/- PAR VALUE 2,50,000 Preference Shares	2500000	2500000
	352500000	352500000
(2) ISSUED, SUBSCRIBED AND PAID-UP		
EQUITY SHARES : RS. 10/- PAR VALUE 34827224* (34827224) Equity Shares fully paid up	348272240	348272240
Less : Calls unpaid		
By others	158595	158595
TOTAL	348113645	348113645

*Including 326000 Equity Shares of Rs. 10/- Par value fully paid up issued to Financial Institutions on conversion of part loan.

The Company has only one class of shares issued as Equity Shares having a par value of Rs. 10/-. Each share holder of Equity shares is entitled to one vote per share.

The Company declares & pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity shares held by the share holders.

Shareholders holding more than 5% of total Shares :-

Name of the Shareholder	No of Shares	% held as at 31 st March, 2016	No of Shares	% held as at 31 st March, 2015
Om Prakash Goenka	4693224	13.48	4693224	13.48
Badri Vishal Tandon (Karta of Ram Mohan Das Tandon [HUF])	3661347	10.51	3661347	10.51
Mirah Dekor Limited	2649033	7.61	2649033	7.61
Reconciliation of No. of shares outstanding			As at 31st March, 2016 No. of Shares	As at 31st March, 2015 No. of Shares
Equity Shares				
Number of shares at the beginning of the year			34827224	34827224
Number of shares at the end of the year			34827224	34827224

SHREE BHAWANI PAPER MILLS LIMITED

	As at 31st March, 2016	(RUPEES) As at 31st March, 2015
NOTE 2 : RESERVES & SURPLUS		
A. CAPITAL RESERVE		
AS PER LAST BALANCE SHEET	1568875	1568875
B. SECURITIES PREMIUM RESERVE		
AS PER LAST BALANCE SHEET	30755351	30755351
	30755351	30755351
C. CAPITAL REDEMPTION RESERVE		
AS PER LAST BALANCE SHEET	1000000	1000000
D. PROFIT & LOSS ACCOUNT		
AS PER LAST BALANCE SHEET	-2001489054	-1446358417
ADD : LOSS FOR THE YEAR	-513795177	-555130637
	-2515284231	-2001489054
TOTAL	-2481960005	-1968164828
NOTE 3 : LONG TERM BORROWINGS		
A. SECURED		
TERM LOAN - FROM BANKS	1494545883	1345807427
B. UNSECURED		
TERM LOAN - FROM OTHER PARTIES	3300899	4238447
LOANS & ADVANCES FROM RELATED PARTIES	177355000	166462000
DEPOSITS	21342486	24142486
OTHER LOANS & ADVANCES	351560722	361977154
TOTAL	2048104990	1902627514

Nature of security and terms of repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
1. Term loan amounting to Rs. 2579.83 Lacs (March 31, 2015 Rs. 2323.08 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)
2. Term loan amounting to Rs. 268.79 Lacs (March 31, 2015 Rs. 242.04 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 15.25% p.a. (P.Y. 15.25 % p.a.)
3. Term loan amounting to Rs. 1272.26 Lacs (March 31, 2015 Rs. 1145.64 Lacs)	Repayment in 32 quarterly installments commencing from 30.06.2013. Last installment due in March 2021. Rate of interest 15.25% p.a. (P.Y. 15.25 % p.a.)
4. Term loan amounting to Rs. 2837.94 Lacs (March 31, 2015 Rs. 2555.51 Lacs)	Repayment in 28 quarterly installments commencing from 30.06.2015. Last installment due in March 2022. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)
5. Term loan amounting to Rs. 1493.60 Lacs (March 31, 2015 Rs. 1344.95) Lacs	Repayment in 8 quarterly installments commencing from 30.06.2013. Last installment due in March 2015. Rate of interest 14.75% p.a. (P.Y. 14.75% p.a.)

SHREE BHAWANI PAPER MILLS LIMITED

6. Term loan amounting to Rs. 2579.95 Lacs (March 31, 2015 Rs. 2323.19 Lacs) Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.00% p.a. (P.Y. 14.00% p.a.)
7. Term loan amounting to Rs. 264.03 Lacs (March 31, 2015 Rs. 237.76 Lacs) Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.00% p.a. (P.Y. 14.00% p.a.)
8. Term loan amounting to Rs. 1270.92 Lacs (March 31, 2015 Rs. 1144.43 Lacs) Repayment in 32 quarterly installments commencing from 30.06.2010. Last installment due in March 2018. Rate of interest 14.25% p.a. (P.Y. 14.25% p.a.)
9. Term loan amounting to Rs. 2378.14 Lacs (March 31, 2015 Rs. 2141.47 Lacs) Repayment in 32 quarterly installments commencing from 30.06.2014. Last installment due in March 2022. Rate of interest 14.25% p.a. (P.Y. 14.25% p.a.)
- A. All the above secured loans are secured by a "Pari Passu" joint equitable mortgage over the Company's immovable properties & a charge by way of hypothecation of movable assets, all current assets of the Company, both present & future, subject to prior charges created on specified movable assets in favour of Company's bankers for working capital.
The loans are additionally secured by pledge of equity shares held by the Managing Director of the Company.
- B. Installment of principal loan falling due within one year Rs. 134642856/- (Previous year Rs. 139642856/-)
- C. The Company has yet to make repayment of installments of term loans to the banks aggregating Rs. 479330356/- (Previous Year Rs. 250039473/-) which fell due upto 31st March, 2016. The Company has also yet to make payment of interest on term loans from banks aggregating Rs. 490253438/- (Previous year Rs. 344910400/-) which fell due upto 31st March, 2016 (Refer Note No. 43).

	AS AT 31ST MARCH, 2016	(RUPEES) AS AT 31ST MARCH, 2015
NOTE 4 : LONG TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFITS		
LEAVE ENCASHMENT	1537207	2958639
GRATUITY	972777	1422439
	2509984	4381078
NOTE 5 : SHORT - TERM BORROWINGS		
SECURED		
WORKING CAPITAL LOAN		
*FROM INDIAN BANK & BANK OF BARODA	797739798	718348064
	797739798	718348064

* All the above secured loans are secured by hypothecation of stock of raw materials, stores, stock in process, finished goods, book debts, both present and future and further secured by "Pari Passu" joint equitable mortgage over immovable properties of the Company.

All the above loans are further guaranteed by the Managing Director and Executive Director of the Company.

SHREE BHAWANI PAPER MILLS LIMITED

	As at 31st March, 2016	(RUPEES) As at 31st March, 2015
NOTE 11 : LONG TERM LOANS AND ADVANCES		
(UNSECURED & CONSIDERED GOOD)		
SECURITY DEPOSITS	9773045	7792146
	9773045	7792146
NOTE 12 : INVENTORIES		
A. RAW MATERIALS	-	-
B. RAW MATERIAL IN TRANSIT	-	6497875
C. FINISHED GOODS	490199	1538969
D. STOCK IN PROCESS	74806	779804
E. STORES, CHEMICALS & PACKING MATERIALS	19278910	43416311
F. PADDY HUSK & COAL	-	152733
G. OTHERS	-	58665
	19843915	52444357
NOTE 13 : TRADE RECEIVABLES		
DEBTS OUTSTANDING FOR MORE THAN SIX MONTHS UNSECURED & CONSIDERED GOOD	54502844	62337860
OTHERS DEBTS UNSECURED & CONSIDERED GOOD	-	-
	-	4022067
	54502844	66359927
NOTE 14 : CASH & CASH EQUIVALENTS		
CASH IN HAND	1329565	284681
BALANCE WITH BANKS	127721	140886
FIXED DEPOSITS WITH BANKS	339496	666531
	1796782	1092098
NOTE 15 : SHORT TERM LOANS & ADVANCES		
(UNSECURED & CONSIDERED GOOD)		
BALANCE WITH CUSTOMS, CENTRAL EXCISE AUTHORITIES	1001301	1206014
OTHERS	14013951	60189051
	15015252	61395065

SHREE BHAWANI PAPER MILLS LIMITED

RUPEES

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
NOTE 16 : REVENUE FROM OPERATIONS		
A. SALES	2045022	295462500
B. LESS: REBATE & DISCOUNT	52740	6125720
NET REVENUE FROM OPERATIONS	1992282	289336780
NOTE 17 : OTHER INCOME		
INTEREST ON DEPOSITS WITH BANKS & OTHERS	586444	10850
DIVIDEND RECEIVED FROM NON-TRADE INVESTMENTS	168	5508
PROFIT ON SALE OF FIXED ASSETS	-	5564
PROFIT ON SALE OF LONG TERM INVESTMENT	-	179217
MISC. INCOME	7399078	7939527
CERTIFIED EMISSION REDUCTION SALE	-	-
	7985690	8140666
NOTE 18 : COST OF MATERIALS CONSUMED		
WASTE PAPER	-	166987388
WHEAT/RICE STRAW	-	8350827
OTHERS*	-	25093837
	-	200432052
*Others include Sarkanda, Raw Jute, Bagasse etc. None of which individually account for more than 10% of the total consumption.		
NOTE 19 : CHANGES IN INVENTORIES OF FINISHED GOODS,		
WORK IN PROGRESS & STOCK IN TRADE		
OPENING STOCK		
FINISHED GOODS	1538969	5665454
STOCK IN PROCESS	779804	2786301
	2318773	8451755
LESS: CLOSING STOCK		
FINISHED GOODS	490199	1538969
STOCK IN PROCESS	74806	779804
	565005	2318773
LESS: DIMINUTION IN VALUE OF FINISHED GOODS, WIP DECREASE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
	195259	-
	1558509	6132982
NOTE 20 : EMPLOYEE BENEFITS EXPENSE		
SALARY AND WAGES	26587555	61771678
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	3365964	5396465
WORKERS AND STAFF WELFARE	1364016	2638070
	31317535	69806213
NOTE 21 : FINANCE COST		
A. INTEREST EXPENSE	213378356	205656822
B. OTHER BORROWING COSTS	35520	182282
	213413876	205839104

SHREE BHAWANI PAPER MILLS LIMITED

	Year ended 31ST March, 2016	RUPEES Year ended 31ST March, 2015
NOTE 22 : OTHER EXPENSES		
STORES, SPARE PARTS & CHEMICALS CONSUMED	56986	31956425
PACKING MATERIAL CONSUMED	9947	5464021
POWER & FUEL	23049726	107890838
REPAIRS TO BUILDING	-	153230
REPAIRS TO MACHINERY	99000	847574
REPAIRS TO OTHERS	203679	753650
EXCISE DUTY	28292	88821
RENT	715000	500000
RATES & TAXES	600000	1291235
LEASE RENT ON LEASE HOLD LAND	24366	
LOADING, TRANSPORTATION & OTHER CHARGES	30609	2471183
COMMISSION ON SALES	-	2314726
ADVERTISEMENT	61840	94940
PRIOR PERIOD EXPENSES (NET)	3409993	108158603
IRRECOVERABLE CLAIMS WRITTEN OFF	130156371	
MISCELLANEOUS EXPENDITURE	5895031	10282959
PAYMENT TO AUDITORS		
AS AUDITORS	150000	150000
FOR TAXATION MATTERS		50000
FOR OTHERS SERVICES	90000	145000
FOR REIMBURSEMENT OF EXPENSES	15000	15000
	164595840	272628205

NOTE 23 : Contingent liability not provided for:

Disputed demand under Sales tax Rs. 52,25,834/- (Previous Year Rs. 13,88,942/-)

Claims against the Company not acknowledged as debt. Rs. 1,91,72,700/- (Previous Year Rs. 90,65,872/-)

NOTE 24 : Estimated amount of capital contracts remaining to be executed and not provided for Rs.2359638/- (Previous Year Rs. 2359638/-)

NOTE 25 : The Income Tax assessments of the Company have been completed upto Assessment Year 2012-13. The Income Tax authorities had disallowed certain concessions/allowances available to the Company. The Provision for Income Tax already made in the past has been considered to be adequate enough to meet the liabilities, if any.

NOTE 26 : Sundry creditors include principal amount Rs. 6131802/- (Previous Year Rs. 6131802/-) due to the suppliers covered by Micro and Small Enterprises Development Act, 2006.

There is no interest paid/payable during the year by the Company to such suppliers.

Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016 are as under:

		RUPEES	
Item No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	(i) The Principal amount remaining unpaid at the end of the year	6131802	6131802
	(ii) The interest due on above	NIL	NIL
	Total	6131802	6131802
(b)	Interest in term of Section 16	NIL	NIL
(c)	Interest due and payable for the period of delay in payment	NIL	NIL
(d)	Interest accrued and remaining unpaid	NIL	NIL
(e)	Interest due and payable even in succeeding years	NIL	NIL

The disclosure is based on information available with the Company regarding the status of suppliers.

SHREE BHAWANI PAPER MILLS LIMITED

NOTE 27 : In the opinion of the Board, any of the asset other than Fixed Assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

NOTE 28 : The Company has operating lease for one of its premises, which is renewable on expiry. Rental expenses for operating lease charged to Profit & Loss Account for the year is Rs. 715000/- (Previous Year Rs. 500000/-).

NOTE 29 : During the year, the Company has not recognised additional net Deferred Tax Asset. Net Deferred Tax Asset of Rs.14.00 Crore was recognised for the year ended 31.03.2012 based on the future profitability projections by the management. The financial statements for the year have been drawn up as per going concern assumptions.

NOTE 30 : Earnings per share (EPS) - The numerators and denominators used to calculate Basic and Diluted Earnings per Share :

Particulars		Year Ended 31.03.2016	Period Ended 31.03.2015
Net Profit after tax as per Statement of Profit & Loss attributable to the equity shareholders (Rs)	(A)	-513795177	-555130637
Weighted average number of Equity Shares used as denominator for calculating EPS	(B)	34827224	34827224
Face Value per Equity Shares (Rs.)		10	10
Basic/Diluted Earnings Per Share (Rs.)	(A/B)	-14.75	-15.94

NOTE 31 : Related Party Disclosure as per Accounting Standard 18 :

List of related parties and relationships :

A. Key Management Personnel

- 1 Shri Girish Tandon - Managing Director
- 2 Shri Alankar Tandon - Executive Director
- 3 Shri Roop Mani Pandey - Chief Financial Officer
- 4 Smt Babita Jain - Company Secretary

B. Relative of Key Management Personnel

- 1 Shri Badri Vishal Tandon 2. Smt. Savita Seth 3. Smt. Meenu Tandon 4. Smt. Meera Tandon 5. Smt. Surabhi Mehra 6. Smt. Paridhi Tandon 7. Shri Gaurav Tandon 8. Shri Akshat Tandon 9. Smt. Shruti Tandon 10. Smt. Chavi Tandon 11. Km Damini Tandon 12 Master Aadi Tandon 13. Master Anadi Tandon.

C. Enterprises over which Key Managerial Personnel are able to exercise significant influence

- 1 Alankar Udyog Pvt Ltd
- 2 Sahitya Bhawan Pvt Ltd
- 3 Electra Logistic Pvt Ltd

SHREE BHAWANI PAPER MILLS LIMITED

Transactions with related parties

Nature of Transactions	As at 31.03.2016	As at 31.03.2015
I Rent for Office Premises paid to Relative of Key Management Personnel		
Shri Gaurav Tandon	-	-
Shri Akshat Tandon	-	-
Smt Neera Tandeon	-	-
II Rent for Office Premises paid to Key Management Personnel		
Shri Alankar Tandon	-	-
III Interest on Fixed Deposit paid to Relative of key Managerial Personnel		
Aadi Tandon	-	-
Surabhi Tandon	-	-
Chavi Tandon	-	-
Anadi Tandon	-	-
Badri Vishal Tandon	-	-
IV Fixed Deposit Repaid to Relative of Key Managerial Personnel		
Aadi Tandon	-	-
Surabhi Tandon	-	-
Chavi Tandon	-	-
Anandi Tandon	-	-
Badri Vishal Tandon	-	-
V Remuneration to Key Management Personnel		
Shri Girish Tandon	-	1800000
Shri Alankar Tandon	-	1800000
Shri Roop Mani Pandey	673800	685800
Smt Babita Jain	727200	746854
VI Remuneration to Relative of Key Management Personnel		
Shri Badri Vishal Tandon	53000	58000
Shri Gaurav Tandon	-	1372572
VII Remuneration Payable to Key Management Personnel		
Shri Girish Tandon	943657	943657
Shri Badri Vishal Tandon	47700	-
Shri Alankar Tandon	1116891	1116891
Shri Roop Mani Pandey	864074	533365
Smt Babita Jain	172039	222427
VIII Remuneration Payable to Relative of Key Management Personnel		
Shri Gaurav Tandon	1050334	1057474

SHREE BHAWANI PAPER MILLS LIMITED

NOTE 32 : Employee Benefits :

As per Accounting Standard 15 "Employee Benefits.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

	Year Ended 31.03.2016	Year Ended 31.03.2015
Employer's Contribution to Provident and Other Funds	3365964	5396465

Defined Benefit Plan

The employees' Leave Encashment Scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	RUPEES	
Reconciliation of opening and closing balance of Defined Benefit obligation	Leave Encashment (Unfunded) 31.03.2016	Leave Encashment (Unfunded) 31.03.2015
Defined Benefit obligation at beginning of the year	2958639	3387580
Current Service Cost	1795571	1617588
Interest Cost	195921	231127
Actuarial (gain)/loss	-2538667	-532463
Benefits Paid	-874257	-1745193
Defined Benefit obligation at the year end	1537207	2958639

**Reconciliation of fair value of assets
and obligations**

Fair value of plan assets		
Present value of obligation	1537207	2958639
Amount recognised in Balance Sheet	1537207	2958639

Expense recognised during the year (Under
the head "Provisions for employees benefit")

Refer Note 4

Current Service Cost	1795571	1617588
Interest Cost	195921	231127

Expected return on plan assets	-	-
Actuarial (gain)/loss	-2538667	-532463
Net Cost	-547175	1316252

Actuarial Assumptions

Mortality Table IALM 2006-08 (Ultimate)

Discount rate (per annum)	7.46%	7.77%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum).	3%	3%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market the above information is certified by actuary

SHREE BHAWANI PAPER MILLS LIMITED

NOTE 33 : The Company has provided gratuity liability on estimated basis amounting to Rs. 11,13,962/- (Previous Year Rs. 14,22,439/-) which is not in compliance with "Accounting Standard-15" issued by the Institute of Chartered Accountants of India.

NOTE 34 :Segment Information :

The Company operates only in one business segment, that is, "Printing, Writing and Newsprint Paper".

NOTE 35 : (a) RAW MATERIALS CONSUMED

	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Qty (MT)	Value (Rs)	Qty (MT)	Value (Rs)
Wheat Straw & Rice Straw	-	-	2141.047	8350827
Waste Paper	-	-	10216.213	165234434
Bagasse & Others	-	-	828.710	26846791
	-	-	13185.970	200432052

(b) CONSUMPTION OF RAW MATERIALS, STORES & SPARES

	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Rupees	%	Rupees	%
i) RAW MATERIALS				
Imported			63308468	31.59
Indigenous	-	-	137123584	68.41
	-	-	200432052	100.00
ii) STORES & SPARES				
Imported			10752	0.20
Indigenous	56986	100.00	5251613	99.80
	56986	100.00	5262365	100.00

(c) CIF VALUE OF IMPORTS

i) Capital Goods	-	-
ii) Raw Materials	-	33735169
iii) Stores & Spares	-	10752

(d) EARNINGS IN FOREIGN CURRENCY

i) Certified Emission Reductions	-	-
ii) On Export of Goods (FOB Basis)	-	-

(e) EXPENDITURE IN FOREIGN CURRENCY

Travelling	-	-
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SHREE BHAWANI PAPER MILLS LIMITED

NOTE 36 : Previous year's figures including those in brackets have been re-arranged/regrouped wherever considered necessary.

NOTE 37 : Exceptional items : PARTICULARS	Year	Year
	Ended	Ended
	31.03.2016	31.03.2015
Diminution in value of Inventory of Power & Fuel	119268	-
Diminution in value of Inventory of chemicals, packing & stores	24432875	-
Diminution in value of Inventory of Finished Goods, Work in Process	195259	-
Total	24747402	-

NOTE 38 : Prior Period Income/Expenses :	Year Ended	Year Ended
	31.03.2016	31.03.2015
PARTICULARS		
Prior Period Income (Expenses) Represents :		
Debit relating to earlier years	-4389786	-109621069
Credit relating to earlier years	979793	1462466
Total	-3409993	-108158603

NOTE 39: As at the balance sheet date, the accumulated losses of the company stands at Rs.251,52,84,231/- (Rs. 200,14,89,054/-) and the shareholders' Fund amount to Rs. 38,14,37,871/- (Rs 38,14,37,871/-) The business plan and profitability estimates have been made by the Board of directors. These projections reflects that the company would be in a position to generate positive cash flows and operational surplus in the near future. Considering the strategic plans and the future profitability projections , these financial statements have drawn up as per the going concern assumptions, which is appropriate in the opinion of the management.

NOTE 40: Balances of some of the Trade Receivables, Trade Payables, Lenders, Loans and Advances are subject to confirmation from respective parties and consequential adjustments arising from reconciliation, if any. The management is of the view that there will be no material adjustment in this regard.

NOTE 41: COMPANY OVERVIEW
Shree BHAWANI Paper Mills Limited, a Public Limited Company is primarily engaged in manufacture & sale of writing and printing paper. The Company presently has manufacturing facilities at Raebareli (U.P.).

NOTE 42: The Company became a sick industrial company within the meaning of Section 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its entire net worth and the Company was declared a sick Industrial Company by BIFR on 26th September 2013. The company is in the process of restructuring /revival of its business. Considering this the accounts have been prepared on a going concern basis. The company's ability to continue as a going concern is dependent upon successful restructuring and revival of its business. The company has submitted the Draft Rehabilitation Scheme (DRS) to operating agency, Bank of Baroda. The company has provided interest on Term Loan and other Bank Loans of Indian Bank and Bank of Baroda@10.5% with effect from 1st January 2013 instead of rate as sanctioned by the Banks.

SHREE BHAWANI PAPER MILLS LIMITED

NOTE 43: LITIGATION

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions when ultimately concluded and determined, will have a material and adverse affect on the Company's results of operations or financial position.

NOTE 44: Significant Accounting Policies:

A. General:

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 2013. The Financial Statements comply with the requirements of the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule of the Companies (Accounts) Rule, 2014.

B. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialised.

C. Recognition of Income and Expenditure:

All income and expenditure items having a material bearing on the financial statements are recognised on the accrual basis.

D. Sales:

Sales are accounted for inclusive of excise duty. The sale value is net of discounts, returns and sales tax.

E. Excise Duty:

Excise Duty on finished goods has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded ware-houses.

F. Depreciation:

i) Depreciation on Buildings and Plant & Machinery (including continuous Process Plant) is provided on straight line method and on other assets on written down value method at the rates prescribed in Schedule II of the Companies Act, 2013.

ii) Lease hold land is amortised over the duration of lease.

G. Employee Benefits:

i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post-employment and other long term employee benefits are recognised as an expense in the profit and loss accounts for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss accounts.

iii) Gratuity liability is provided on estimated basis.

H. Fixed Assets:

I Tangible Assets:

Fixed assets are stated at cost net of modvat/cenvat less accumulated depreciation and impairment loss if any. Pre-operative expenses including eligible borrowing cost incurred during construction period and issue expenses related to funds raised for financing the project are charged to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets. Machinery spares which can be used only in

SHREE BHAWANI PAPER MILLS LIMITED

connection with a particular item of fixed assets and the use of which is irregular, are capital of modvat / cenvat.

II Intangible Assets (Software)

Intangibles representing software are amortised over their estimated useful life .

I. Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets till the assets are ready for its use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

J. Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

K. Investments

Long term Investments are stated at cost. Provision for diminution in value of long term Investments is made only if such decline is other than temporary.

L. Foreign Currency Transactions

i) Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of the transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate at the date of the transaction.

ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognised as income or expenses in the period in which they arise except in case of liabilities incurred for the purpose of acquiring the fixed assets from outside India in which case such exchange differences are adjusted in the carrying amount of fixed assets.

M. Lease

Lease payments under an operating lease are recognised as expenses in the statement of Profit and Loss as per terms of lease agreement.

N. Inventories

Raw materials, work-in-progress and finished goods are valued at lower of cost or net realizable value. However, materials held for use in the production of finished product are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Chemicals and Stores and Spare parts are valued at or below cost. Cost of inventories is generally computed on weighted average/FIFO basis.

O. Taxation:

Current tax is determined as the amount of Tax Payable in respect of taxable income for the year.

The deferred tax for timing difference between the book and tax Profit for the year is accounted using tax rates and tax laws that have been enacted or substantially enacted at the - Balance Sheet date. Deferred Tax assets arising from the timing difference are recognised to the extent that there is reasonable certainty that sufficient future taxable income will be available.

P. Research and Development:

SHREE BHAWANI PAPER MILLS LIMITED

Revenue expenditure is charged as an expense in the year it is incurred. Expenditure which results in the creation of capital assets is taken as fixed assets and depreciation is provided on such assets as are applicable.

Q. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

R Earning per Share:

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares.)

S Government Grants

Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve . Revenue grants are credited in statement of Profit & Loss or deducted from related expenses.

T Claims

In accordance with the consistent practice, insurance and other claims, to the extent considered recoverable, are accounted for in the year relevant to claim while the balance is accounted for on settlement.



SHREE BHAWANI PAPER MILLS LIMITED

Registered Office : 33, Dayanand Marg, Allahabad 211 002 email : info@shbhawani.com
CIN : L21015UP1979PLC004783 Website : www.shbhawani.com

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 :

E-mail ID :Folio No. / DP ID-Client ID.....

I/We, being the member (s) of shares of the Shree Bhawani Paper Mills Ltd., hereby appoint:

1. Name :of having an E-mail ID :, failing him / her;
2. Name :ofhaving an E-mail ID :, failing him / her;
3. Name : ofhaving an E-mail ID :

whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 at Registered Office of the Company at 33, Dayanand Marg, Allahabad - 211 002, at 11:30 am and at any adjournment thereof in respect of the Resolutions as indicated below :

Sl. No.	Resolution	For*	Against*
1.	Adoption of Financial Statements for the year ended 31 st March, 2016		
2.	Re-appointment of Shri Alankar Tandon as Director, who retires by rotation.		
3.	Re-appointment of M/s P.L. Gupta & Co. Chartered Accountant, as Auditors and to fix their remuneration.		
4.	Re-appointment of Shri Girish Tandon as Managing Director of the Company.		
5.	Ratification of remuneration of Shri Rakesh Misra, Cost Accountant as Cost Auditors for the year 2016-17		

Signed this..... Day of.....2016.

(Date)

(Month)

Affix
Revenue
Stamp

Signature of Shareholder(s)

Signatures of :

.....

First Proxy Holder

.....

Second Proxy Holder

.....

Third Proxy Holder

Notes :

- *1. Please put a 'X' in the Box in the appropriate colum. If you leave 'For' or 'Against' column blank in respect of any or all of the Resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
2. **Proxy need not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
3. This form of proxy in order to be effective should be duly executed and deposited at the Registered Office of the Company at 33, Dayanand Marg, Allahabad - 211 002 at least 48 hours before the time of the Meeting.

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SHREE BHAWANI PAPER MILLS LIMITED

Registered Office : 33, Dayanand Marg, Allahabad 211 002 email : info@shbhawani.com
CIN : L21015UP1979PLC004783 Website : www.shbhawani.com

ATTENDANCE SLIP

37th Annual General Meeting
September 29, 2016

Folio No.

DP ID-Client ID.....

Full Name of the Shareholder / proxy attending the Meeting

.....

(First Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY (Strike out whichever is not applicable)

FULL NAME OF FIRST HOLDER.....

(If Joint Holder / Proxy attending)

(First Name)

(Second Name)

(Surname)

.....

Signature of the Shareholder / Proxy

Please note that no gifts will be given at the Meeting

SHREE BHAWANI PAPER MILLS LIMITED

Route Map to the Venue of the 37th AGM of Shree Bhawani Paper Mills Ltd.
at Registered Office of the Company at 33, Dayanand Marg, Allahabad



**BOOK POST
UNDER CERTIFICATE OF POSTING**

If undelivered, please return to :
**Shree Bhawani Paper Mills Ltd.,
33, Dayanand Marg,
Allahabad—211 002**