



# WEST COAST PAPER MILLS LTD.,

Registered & Works Office : Post Box No. 5, Bangur Nagar, Dandeli-581 325  
Dist Uttar Kannada (Karnataka) - India

CORPORATE IDENTITY NO : L02101KA1955PLC001936 website : www.westcoastpaper.com  
Ph : (08284) 231391 - 395 (5 lines) Fax : 08284-231225 (Admn. Office) 230443 (Works Office)

GSTN:29AAACT4179N1Z0



ISO 9001 ISO 14001  
OHSAS 18001

ZZN:SHARE:08:  
September 5, 2020

To:

BSE Limited  
Corporate Services  
Floor 25, P.J.Towers,  
Dalal Street  
**MUMBAI – 400 001**

To:

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex,  
Bandra [East]  
**MUMBAI-400 051**

Dear Sirs,

## **SCRIP CODE: BSE-500444/NSE-WSTCSTPAPR**

### **Sub : Annual Report – 2019-20 & Notice of Annual General Meeting to be held on September 28, 2020 through Video Conference.**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of Annual Report 2019-20 and Notice dated June 26, 2020 of Annual General Meeting (AGM) to be held on **September 28, 2020 at 11:30 A.M. through Video Conference.**

Further, the register of Members and the Share Transfer Books will remain closed from September 14, 2020 to September 28, 2020 (both the days inclusive) for the purpose of Annual General Meeting.

Please take the same on record.

Thanking you,

Yours faithfully,  
For WEST COAST PAPER MILLS LTD.

BRAJMOHAN PRASAD  
COMPANY SECRETARY  
M.NO.F7492

Encl: a.a.



Corporate Office : 31, Chowringhee Road, Kolkata - 700 016  
Phone : (033) 2265 6271-78 (8 lines), Fax : (033) 2226 5242,  
Email : wcpm.sale@westcoastpaper.com



## WEST COAST PAPER MILLS LIMITED

Regd. Office: P B No 5, Bangur Nagar, Dandeli - 581 325, Uttara Kannada, Karnataka  
CIN: L02101KA1955PLC001936, GSTN: 29AAACT4179N1ZO, Phone: (08284) 231391-395 (5 Lines),  
Fax: (08284) 231225, E-mail: co.sec@westcoastpaper.com, Website: www.westcoastpaper.com

### NOTICE

**NOTICE** is hereby given that the 65th Annual General Meeting of the members of **WEST COAST PAPER MILLS LIMITED** will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Monday, the September 28, 2020, at 11.30 A.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the year ended March 31, 2020 including the Reports of the Directors and Auditors thereon.
2. To confirm the interim dividend of Rs. 5/- per equity share, already paid during the year, for the financial year ended March 31, 2020 and to treat the same as final dividend.
3. To appoint a Director in place of Shri Saurabh Bangur (DIN:00236894), who retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. **Appointment of Shri Umesh Kini (M.No.29159), Cost Accountant, Sirsi as Cost Auditor of the Company and Ratification of Remuneration**

To consider and, if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to 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), and pursuant to the recommendation of the Audit Committee, the remuneration of Rs. 1,20,000/- as approved by the Board of Directors of the Company be paid to **Shri Umesh Kini (M.No.29159)**, Cost Auditor, Sirsi, to conduct the audit of the cost accounts maintained by the Company, for the financial year ending March 31, 2021, be and is hereby ratified."

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

5. **Appointment of Shri Virendraa Bangur (DIN:00237043) as Joint Managing Director of the Company**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders be and is hereby accorded for the appointment of **Shri Virendraa Bangur (DIN:00237043)** as Joint Managing Director of the Company for a period of three years with effect from 26th June, 2020 on the terms and conditions including remuneration, as set out in the Explanatory Statement annexed to the Notice."

**"RESOLVED FURTHER THAT**, in the event of any loss or inadequacy of profit in any financial year, during the currency of tenure of **Shri Virendraa Bangur (DIN:00237043)** as Joint Managing Director, he shall be paid remuneration as specified under Section II A of Part II of Schedule V of the Companies Act, 2013 or within such ceilings as may be prescribed from time to time as minimum remuneration notwithstanding the absence or inadequacy of profit in any year."

**"RESOLVED FURTHER THAT**, the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. **Appointment of Smt. Arpita Vinay (DIN:06940663) as an Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and 25 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Arpita Vinay (DIN:06940663) was appointed as an Additional Director of the Company w.e.f., 26th June, 2020 under Section 161 of the Companies Act, 2013 and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for three consecutive years with effect from 26th June, 2020 to 25th June, 2023."

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

**7. Approval for continuation of Shri. S. K. Bangur (DIN: 00053237) as Chairman & Managing Director of the Company**

To consider and if thought fit, to pass with or without modifications, the following as **Special Resolution**:

**“RESOLVED THAT**, pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of employment of Shri S. K. Bangur (DIN: 00053237) as Chairman & Managing Director of the Company, who has attained the age of 70 years, up to his existing term/tenure ending on 30th April, 2021 for the reasons and justification as stated in the explanatory statement attached to the Notice.”

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

**8. Approval for payment of remuneration to Shri. S. K. Bangur(DIN:00053237), Chairman & Managing Director of the Company**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and is hereby accorded for payment of annual remuneration including commission on net profits, exceeding ₹ 5 crore/up to 5 percent of the net profits of the Company to Shri S. K. Bangur (DIN: 00053237) Chairman & Managing Director of the Company, till his existing term/tenure ending on 30th April, 2021 subject to other terms and conditions as approved by the shareholders in the 61st Annual General Meeting of the Company held on 31st August, 2016.”

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

By Order of the Board

**Brajmohan Prasad**  
Company Secretary  
M. No. F7492

Place: Dandeli  
Date: 26.06.2020

**NOTES:**

- In view of the country wide lockdown and continuing restrictions on the movement across the country imposed by the Government due to COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide General Circular No. 20/2020 dated 5th May, 2020 read with its General Circulars No. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, allowed companies:
  - to send the annual reports to shareholders only on email who have registered their email ID with the Company/ Depositories;
  - to hold Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OVAM”) during the calendar year 2020; and
  - to keep the dividend on hold for those shareholders who have not provided details of their bank accounts for electronic payment and dispatch their cheque /demand draft upon normalization of the postal services.
- The Company will hold the AGM through VC facility without physical presence of the members. The necessary details for joining the meeting are given at Annexure-I.
- The meeting shall be deemed to be conducted at the Registered office of the Company.
- Since this AGM is being held through video conferencing, physical attendance of members has been dispensed with. Therefore, appointment of proxies is not applicable.
- Remote e-Voting period will **commence on September 25, 2020 at 9.00 AM and ends on September 27, 2020 at 5.00 PM**. Thereafter e-voting module shall be disabled for voting by Link Intime India Pvt. Ltd. Voting rights will be reckoned on the paid up value of share registered in the name of members **on September 21, 2020 (Cut Off Date)**.
- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to item nos. 4 to 8 of the Notice is annexed hereto and forms part of this Notice.
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Annual Report and notice of AGM is being sent through email to members who have registered email ID with the Company / Depositories. The members who have not registered their email ID with the Company can access the Annual Report on the website of the Company [www.westcoastpaper.com](http://www.westcoastpaper.com). Members who would like to obtain pdf copy on their email ID may write an email to [co.sec@westcoastpaper.com](mailto:co.sec@westcoastpaper.com). Pursuant to the Circulars mentioned above, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.

8. Pursuant to Section 113 of the Companies Act, 2013, corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote the AGM, by e-mail before e-voting/ attending AGM, to [co.sec@westcoastpaper.com](mailto:co.sec@westcoastpaper.com).
9. The members who are holding shares in physical form and who have not registered their email ID with the Company, can write to [evoting.investors@linkintime.co.in](mailto:evoting.investors@linkintime.co.in) by providing their name and folio number and obtain default PAN (if PAN is not registered with the Company) for the purpose of e-voting and exercise their vote either through remote e-voting or vote electronically during the AGM. The credentials will be provided to the members after verification of all details.
10. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
11. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 10:00 Hrs. and 12:00 Hrs. up to the date of the Annual General Meeting and these documents shall also be uploaded on the platform of AGM with adequate security feature enabled so as to disallow members from taking copies of such documents.
12. The Register of Members and the Share Transfer Books will remain closed from September 14, 2020 to September 28, 2020 (both the days inclusive).
13. The interim dividend on equity shares for the financial year 2019-2020, as approved by the Board of Directors, was already paid on 26.03.2020, notice contains item to treat the same as final dividend.
14. In compliance with the SEBI circular, the Company has assigned all the work related to share registry in terms of both physical and electronic to -

**Link Intime India Pvt.Ltd.**

(Unit: West Coast Paper Mills Ltd.)

C-101, 247 Park

LBS Marg, Vikhroli (West)

Mumbai - 400 083

Ph: (022) 49186000; Fax: (022) 49186060;

E-mail: [rnhelpdesk@linkintime.co.in](mailto:rnhelpdesk@linkintime.co.in)

All the members are requested to send/deliver their documents/correspondence relating to the Company's Share Transfer/Demat/Remat requests to the above Registrar and Share Transfer Agent. Members holding shares in physical form are requested to notify promptly any change in their address, to the Registrar and Share Transfer Agent.

- (i) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their bank mandates immediately to the Link Intime India Pvt. Ltd.
  - (ii) With a view to provide protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide their bank account numbers, name of the banks, IFSC code and address of the branches to enable the Company to incorporate the said details in the dividend warrants. Those members who are holding shares in physical form and who have not yet furnished such information are again requested to furnish these details quoting their folio numbers to reach the Registrar and Share Transfer Agent, at the address given above.
  - (iii) Members holding shares in electronic form may give instructions regarding change/deletion in bank details to their Depository Participants only.
  - (iv) Members are requested to register their Permanent Account Number (PAN), E-mail ID and Mobile number with their Depository Participants, in case shares are held in dematerialized form and with Company/Link Intime India Pvt. Ltd., in case of shares held in physical form.
  - (v) Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent.
15. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund. Thereafter, members shall not be able to register their claim in respect of their un-encashed dividends with the Company. Further, pursuant to Section 124(6) of the Companies Act, 2013 shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to Investor Education and Protection Fund. Members who have not yet encashed their dividend warrants for the financial year ended on March 31, 2013 and onwards are advised to make their claims to the Company, without any delay.

16. The Unclaimed dividend for the year ended on March 31, 2013 will be transferred to the Investor Education and Protection Fund in terms of the provisions of Section 124 of the Companies Act, 2013, in the month of September 2020. The details of the unpaid/unclaimed amounts lying in the Company as on 8th August 2019 (date of last AGM) are available on the website of the Company [www.westcoastpaper.com](http://www.westcoastpaper.com) and on Ministry of Corporate Affairs website. The Shareholders whose dividends/shares as transferred to the IEPF Authority can now claim their dividends/shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.
17. Once vote on a resolution is cast through remote E-voting/voting by E-mail by a member, the member shall not be allowed to subsequently change it. A member may participate in the AGM through VC/OAVM, even after exercising his right to vote through remote E-voting/voting by E-mail but shall not be allowed to vote again at the AGM.
18. Shri Naman Gurumurthi Joshi (Membership No.F8389), Company Secretaries, N. G. Joshi & Co., has been appointed as the Scrutinizer to scrutinize the E-voting/voting by E-mail process in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will unblock the votes cast through remote E-voting/voting by E-mail in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
19. Instructions and other information relating to remote E-voting: **Annexure-I** appended herewith.
20. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.westcoastpaper.com](http://www.westcoastpaper.com) and on the website of Link Intime India Pvt. Ltd., immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited, Mumbai.
21. The brief profile of the Director retiring by rotation and being eligible, seeking re-appointment at the AGM pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards 2 issued by the Institute of Company Secretaries of India is provided as '**Exhibit A**'.

By Order of the Board

**Brajmohan Prasad**  
*Company Secretary*  
M. No. F7492

Place : Dandeli  
Date : 26.06.2020

## **ANNEXURE TO THE NOTICE**

### **STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **Item No.4**

On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 26.06.2020 have approved the appointment of Shri Umesh Kini (M. No. 29159), Cost Accountant, Sirsi, as the Cost Auditor of the Company to conduct the audit of the cost accounts maintained by the Company, for the year ended on 31st March, 2021 at a remuneration of Rs.1,20,000/- in terms of provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, subject to the ratification by members.

The Board has recommended the Resolution as set out at Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.4 of the Notice.

#### **Item No. 5**

Shri Virendraa Bangur (DIN:00237043) was appointed as Additional Director of the Company under Section 161 of the Companies Act, 2013 ("the Act"), at the meeting of the Board of Directors held on 12th November, 2019 and who holds office up to this Annual General Meeting.

The Board of Directors, at the meeting held on 26th June, 2020 appointed Shri Virendraa Bangur (DIN:00237043) as Joint Managing Director for a period of 3 (Three) years from 26th June, 2020 to 25th June, 2023 on the remuneration and other terms and conditions as approved by the Nomination and Remuneration Committee of the Board of Directors in their meeting held on 26th June, 2020.

The terms and conditions of appointment of Shri Virendraa Bangur (DIN:00237043) Joint Managing Director are as under :

- 1) Term of Appointment:  
3 (Three) years with effect from 26th June, 2020 to 25th June, 2023
- 2) Remuneration:
  - (a) Salary: ₹ 9,63,650.00 (Rupees Nine lakh sixty three thousand six hundred fifty only) per month.

(b) Commission: 1% (One %) Commission on the net profits, as may be agreed upon by the Board of Directors and him, for each financial year or part thereof, subject to the condition that the total remuneration i.e., salary, perquisites and commission in any one financial year shall not exceed the limits prescribed or as may be prescribed from time to time under Section 197 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, read with SEBI (LODR) Regulations, 2015 as may be for the time being in force.

3) Perquisites:

- i) Medical Reimbursement : Medical and Hospitalization benefits for him and his family by way of reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months salary over a period of three years.
- ii) Leave: On full pay and allowance in accordance with the Rules of the Company.
- iii) Leave Travel Concession: For him and his family once in a year in accordance with the Rules of the Company.
- iv) Club Fees: Fees and subscription of two clubs.
- v) Personal Accident Insurance: Premium as per Rules of the Company.
- vi) Provident Fund and Superannuation Fund: Contribution of Provident Fund and Superannuation Fund in accordance with the Rules of the Company.
- vii) Gratuity: One half month's salary for each completed year of service in accordance with the Rules of the Company.
- viii) Telephone: Free telephone facility.
- ix) Other benefits as are applicable to other senior executives of the Company [including but not limited to production bonus/ex-gratia, encashment of leave (subject to maximum of Ninety days), compensatory allowance in accordance with the schemes of the Company].

Shri Virendraa Bangur, Joint Managing Director during the term of office as Joint Managing Director shall not be liable to retire by rotation and continue to hold his office of Joint Managing Director, the re-appointment as such Director shall not be deemed to constitute a break in his office of Joint Managing Director.

Shri Virendraa Bangur, will not be paid any sitting fees for attending the meetings of the Board of Directors and Committees thereof.

The Company has taken "Directors & Officers liability insurance policy" which will be extended from time to time to cover full tenure of appointment.

It is proposed in view of vast experience to appoint Shri Virendraa Bangur(DIN:00237043) as Joint Managing Director of the Company, under Section 149, 152, 196, 197, 203 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received notice in writing from member, proposing the candidature of Shri Virendraa Bangur for the office of Joint Managing Director under the provisions of Section 160 of the Act .

The Company has received declaration from Shri Virendraa Bangur, that he is not disqualified to become a director and also consented to hold the office as Director.

Your directors feel that, continued appointment/association of Shri Virendraa Bangur, in view of his skill, vast experience and knowledge would be of immense benefit to the Company and it is desirable to avail his services as Joint Managing Director.

The brief profile of Shri Virendraa Bangur, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as '**Exhibit A**' to this Notice.

In the opinion of the Board, Shri Virendraa Bangur, fulfills the conditions specified in the Act and Rules made thereunder, he is interested in the resolution set out at Item No.5 of the Notice with regard his appointment and his relatives particularly Shri S. K. Bangur, Smt. Shashi Bangur and Shri Saurabh Bangur are deemed to be concerned or interested in the resolution at Item No.5 to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or Relatives of Director and Key Managerial Personnel are in any way concerned or interested in the said resolution.

The Board of Director recommended the resolution as set out at Item No. 5 of this Notice for your approval.

**Item No. 6**

Pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020 and under Section 149(10) of the Companies Act, 2013 ("the Act"), Independent Directors can be appointed for a maximum tenure upto 5 consecutive years, Smt. Arpita Vinay (DIN:06940663) is appointed as Additional Director with effect from 26th June, 2020 under Section 161 of the Act.

It is proposed in view of vast professional experience to appoint Smt. Arpita Vinay (DIN:06940663) as Independent Director under Section 149 of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for 3 (Three) consecutive years not liable to retire by rotation with effect from 26th June, 2020. The Company

has received notice in writing from member proposing the candidature of Smt. Arpita Vinay (DIN: 06940663) for the office of Independent Director under the provisions of Section 160 of the Act .

The Company has received declaration from Smt. Arpita Vinay, that she is not disqualified to become a director and also consented to hold the office as Director.

Your directors feel that, continued appointment/association of Smt. Arpita Vinay, in view of her skill, vast experience and knowledge would be of immense benefit to the Company and it is desirable to avail her services as Independent Director.

In the opinion of the Board, Smt. Arpita Vinay, fulfills the conditions specified in the Act and Rules made thereunder and the proposed director is Independent of the Management.

The brief profile of Smt. Arpita Vinay, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as '**Exhibit A**' to this Notice.

Smt. Arpita Vinay, is interested in the resolution set out at Item No.6 of the Notice with regard to her appointment and her relatives may be deemed to be interested in the said resolution to the extent of their shareholdings, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or Relatives of Director and Key Managerial Personnel are in any way concerned or interested in the said resolution.

Letter of appointment of Smt. Arpita Vinay, setting out the terms and conditions is available for inspection by the members at the Registered Office and on Website of the Company.

The Board of Directors recommended the resolution as set out at Item No. 6 of this Notice for your approval.

#### **Item No. 7 and 8**

The Board of Directors, at the meeting held on 12th February, 2016, had re-appointed Shri S. K. Bangur (DIN :00053237), as Chairman & Managing Director, for a further period of 5 (Five) years from May 01, 2016 to April 30, 2021, on the remuneration and other terms & conditions as approved by the Nomination and Remuneration Committee of the Board of Directors in their meeting held on 12th February, 2016 and members of the Company at the 61st Annual General Meeting held on 31st August, 2016 have approved the re-appointment and remuneration payable to Shri S. K. Bangur, Chairman & Managing Director.

Section 196 (3) of the Act read with Part – 1 of Schedule V to the Companies Act, 2013 provides that no company shall appoint or continue employment of any person as Managing Director, Whole-Time Director or Manager who has attained the age of 70 (seventy) years unless it is approved by the Shareholders by passing a special resolution.

Shri S. K. Bangur has attained the age of 70 years and has rich and wide experience in the various field and his knowledge would be of immense benefit to the Company. It would be in the interest of the Company to continue to avail of his experience and guidance as "Chairman and Managing Director. It is imperative to note that under his leadership, the Company has achieved many heights and the Board of Directors are of the view that it is desirable to continue to avail his services as Chairman and Managing Director.

Pursuant to Regulations 17(6)(e), was inserted in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulation, 2018 with effect from 1st April, 2020 the said regulation prescribes that the fees or compensation payable to all the executive directors who are promoters or members of the promoter group, shall be subject to the approval of shareholders by special resolution in a general meeting if the annual remuneration payable to such executive director exceeds ₹ 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher. Provided that the approvals of shareholders under this provision shall be valid only till the expiry of the term of such director. Remuneration including Commission to Shri S. K. Bangur, Chairman and Managing Director as approved in the 61st Annual General Meeting held on 31.08.2016 exceeds the above mentioned limits. In this regard, approval of the shareholders is being sought by way of special resolution till his existing term/tenure ending on April 30, 2021. The said total remuneration i.e., salary, perquisites and commission in any one financial year shall not exceed the limits prescribed or as may be prescribed from time to time under Section 197 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as may be for the time being in force.

Other terms and conditions as approved in the 61st Annual General Meeting held on 31.08.2016 are applicable.

Shri S. K. Bangur is deemed to be concerned or interested in the resolution at Item No.7 and 8 as it pertains to continuation of employment and remuneration payable to him. The relatives of Shri S. K. Bangur particularly Smt. Shashi Bangur, Shri Virendraa Bangur and Shri Saurabh Bangur are deemed to be concerned or interested in the resolution at Item No.7 and 8 to the extent of their shareholding interest, if any, in the Company. Save and except the above none of the other Directors or Key Managerial Personnel of the Company or relatives of Directors and Key Managerial Personnel are, in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommended the resolution as set out at Item No. 7 and 8 of this Notice for your approval (shareholders of the Company).

| Sl.No. | Nature of Information   | Item No. 3 of Notice  | Item No. 5 of Notice   | Item No. 6 of Notice                           |
|--------|---|---|--|--|
| 1.     | Name  | Shri Saurabh Bangur   | Shri Virendraa Bangur  | Smt. Arpita Vinay                              |
| 2.     | Age   | 44 years  | 45 years   | 44 years                                       |
| 3.     | Director of Company since                                     | 28th June, 2004   | 12th November, 2019  | 26th June, 2020                                |
| 4.     | Expertise in specific functional areas                        | Industrialist   | Industrialist  | Service  |
| 5.     | Qualifications  | B.Com   | B.Com  | BE, MBA  |
| 6.     | Terms and Conditions of appointment / re-appointment          | Re-appointment by rotation  | As per Item no. 5 of the Explanatory Statement   | As per Item no. 6 of the Explanatory Statement |
| 7.     | Relationships between Directors inter-se                      | None other Directors than Shri S K Bangur and Smt. Shashi Bangur being his Father and Mother and Shri Virendraa Bangur being his brother, respectively are related. | None other Directors than Shri S K Bangur and Smt. Shashi Bangur being his Father and Mother and Shri Saurabh Bangur being his brother, respectively are related.  | None   |
| 8.     | Directorship in other Listed entities                         | Andhra Paper Limited  | 1) Jayshree Chemicals Ltd.<br>2) Taparia Tools Limited<br>3) Andhra Paper Limited  | None   |
| 9.     | Membership of Committee of the Board in other Listed entities | None  | <b>1) Jayshree Chemicals Limited:</b><br>i) Risk Management Committee-Member<br>ii) Stakeholders Relationship Committee- Member<br>iii) CSR Committee- Member<br><b>2) Andhra Paper Limited:</b><br>i) Nomination and Remuneration Committee-Member<br>ii) Stakeholders Relationship Committee- Member<br>iii) CSR Committee- Member | None   |
| 10.    | No. of shares held in the Company                             | 1651228   | 1122956  | Nil  |

By Order of the Board

Place: Dandeli  
Date: 26.06.2020

**Brajmohan Prasad**  
Company Secretary  
M. No. F7492

**Instructions and other information relating to remote E-voting**

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer its Members facility to exercise their right to vote in respect of the business to be transacted through E-Voting Services.

The Company has entered into an agreement with Link Intime India Pvt. Ltd., (LI IPL) for availing Electronic Voting facility in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. E-voting instructions, user ID & Password are being informed by Link Intime India Pvt. Ltd.,(LI IPL), to those members who have registered their e-mail ID. Further members who are already in possession of user ID & Password may use the same.

The facility for voting through InstaMeet (VC/OAVM) shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote E-voting shall be able to exercise their right at the meeting through InstaMeet (VC/OAVM).

The remote e-voting period begins on September 25, 2020 at 9.00 A.M. and ends on September 27, 2020 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. September 21, 2020**, may cast their vote electronically. The E-voting module shall be disabled by LI IPL for voting thereafter.

**For those shareholders opting for remote E-voting, the process and manner of remote E-voting will be as follows:**

- **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

- (i) Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section.
- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (iv) Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.
- (v) Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

**Click on "Sign Up"** tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

|                     | <b>For Shareholders holding shares in Demat Form or Physical Form</b>  |
|---------------------|--|
| PAN                 | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with depository Participant or in the Company record, are requested to use the sequence number which is shared to them, in case any assistance required, please call to Link intime India Pvt. Ltd. Tel: (022) 49186000.</li> </ul> |
| DOB/ DOI            | Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.   |
| Bank Account Number | Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>● Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participant or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).</li> </ul>        |

If you are holding shares in demat form and had registered on to E-voting system of LI IPL: <https://instavote.linkintime>.

co.in, and/or voted on an earlier voting of any Company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase Shareholder is having valid e-mail address, Password will be sent to the shareholder registered e-mail address. Else, Shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by Demat Shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For Shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

● **Cast your vote electronically**

(vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.

(vii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

(viii) If you wish to view the Resolution details, click on the 'View Resolutions' File Link.

(ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

(x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

(xi) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

● **General Guidelines for Shareholders:**

(xii) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the Board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same, also can send the same to scrutinizer at email ID :[csnaman@ngjoshiandco.com](mailto:csnaman@ngjoshiandco.com).

(xiii) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

(xiv) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(xv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

**Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- 2) Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit

Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

3) Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for Insta Meet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID

2. Click "Go to Meeting"

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175).

### **Insta Meet Support Desk**

### **Link Intime India Private Limited**

#### **Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [co.sec@westcoastpaper.com](mailto:co.sec@westcoastpaper.com) from September 25, 2020 to September 27, 2020 (preferably one day or 24 hrs. prior to the date of AGM).

The first 30 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [co.sec@westcoastpaper.com](mailto:co.sec@westcoastpaper.com). The same will be replied by the company suitably.

#### **NOTE:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

#### **Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**NOTE:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

**InstaMeet Support Desk**

**Link Intime India Private Limited**



# Consolidation for Growth

**WEST COAST PAPER MILLS LIMITED**

*Your partner in progress...*

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ANNUAL REPORT 2019-20

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# Finest Paper Products



## WESCO *Flying towards excellence*

West Coast product-line features in well-established WESCO brand Paper & Boards, commercial to premium grades ranging from 52 to 600 GSM, catered to across six different product segments like (1) Writing Paper (2) Printing Paper (3) Specialty Paper (4) Industrial Paper (5) Packaging Board (6) Business Stationery

To overcome the competition and to improve the sales realization, WCPM has been consistently upgrading its technology with a sustained focus in the fast growing and value added product segments.

The company's swing manufacturing facility enables the company to produce diversified range of products, which has been a source of strength to keep in line with the market demand.



# WCPM FLAGSHIP PRODUCTS

## A COMPANY WITH A DISTINCT VISION

- 1000 tonnes of paper & boards per day
- An impressive range of products
- Technology of the future
- Renewable raw material
- Environment friendly production techniques
- Elemental Chlorine Free Pulping
- FSC Certified Paper
- Captive power plants



### RANGE OF OFFICE STATIONERIES

- The **WESCO** business stationery range comprises high quality office papers crafted to suit modern-day office printing demands.
- Every product is a result of cutting edge technology backed by online process & quality control systems and made of superior raw material.
- Web-Cut and online packed using world class high precision cut-pack system.



### VALUE ADDED PRODUCTS

[www.westcoastpaper.com](http://www.westcoastpaper.com)





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|  |                      |
|--|----------------------|
| BSE Market Capitalisation<br>as at 31st March, 2020  | ₹ 85,170.07 Lakhs    |
| Interim Dividend Paid<br>(treated as final dividend) | ₹ 5 Per Share        |
| NSE Market Capitalisation<br>as at 31st March, 2020  | ₹ 86,491.05 Lakhs    |
| AGM Date   | 28th September, 2020 |
| BSE Code   | 500444               |
| NSE SYMBOL   | WSTCSTPAPR           |
| AGM Mode   | Video Conferencing   |

### FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral-that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identifying such statements by using words such as 'anticipates,' 'estimate,' 'aspects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe, we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialized, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Reader should bear this in their mind. We undertake no obligation to publicly updated any forward looking statements, whether as a results of news information, future events or otherwise.

# Corporate Information

## BOARD OF DIRECTORS

Shri S. K. Bangur, Chairman & Managing Director

Shri Saurabh Bangur, Vice Chairman

Shri Virendraa Bangur, Joint Managing Director\*

Smt. Shashi Bangur

Shri P N Kapadia

Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM [Retd.]

Shri Krishna Kumar Karwa

Shri M. P. Taparua

Shri Amitav Kothari

Shri Sudarshan Somani

Smt. Arpita Vinay\*

Shri Rajendra Jain, Executive Director & CFO

*\*w.e.f. 26.06.2020*

## MANAGEMENT TEAM

### Paper and Duplex Board Division

Shri Rajendra Jain, Executive Director & CFO

Shri B. H. Rathi, President (Technical)

Shri S.N.Patil, Senior Vice-President (Human Resource)

Shri P. C. Maloo, Senior Vice-President (Marketing)

Shri Ashok Kumar Sharma, Senior Vice-President (F&A)

### Telecom Cable Division

Shri Anil Tanwani, Chief Executive Officer

Shri Shiv Shanker Gupta, Chief Financial Officer

## COMPANY SECRETARY

Shri Brajmohan Prasad

## BANKER

Central Bank of India

State Bank of India

Syndicate Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

Standard Chartered Bank

Axis Bank Ltd.

## STATUTORY AUDITORS

Singhi & Co., Kolkata

## COST AUDITOR

Shri S. K. Tikare, Belgaum

## SECRETARIAL AUDITOR

Shri Naman G. Joshi, Bangalore

## LEGAL ADVISORS

Khaitan & Co., Mumbai

## REGISTERED OFFICE

Bangur Nagar, Dandeli – 581 325

District. Uttara Kannada, Karnataka

Phone: (08284) 231 391-395 Fax: (08284) 231 225

E-mail: co.sec@westcoastpaper.com

## CORPORATE OFFICE & EAST ZONE

31, Chowringhee Road

(Park Street crossing)

Kolkata – 700 016

Phone: (033) 7150 0500 / 2265 6271-74

Fax: (033) 2226 6086

E-mail: sales.ho@westcoastpaper.com

## ZONAL OFFICES

### North Zone

Vishnu Bhavan, 1st Floor, 5 Ansari Road

Daryaganj, New Delhi – 110 002

Phone: (011) 2326 9806, 2327 3679, 2324 6254

Fax: (011) 2328 4913

E-mail: wcpm.north@westcoastpaper.com

### West Zone

Shreeniwas House

H. Somani Marg, Fort, Mumbai – 400 001

Phone: (022) 2207 0041-44

Fax: (022) 2207 0001

E-mail: wcpm.west@westcoastpaper.com

### South Zone-1

23/1 Kanakasri Nagar

Off Cathedral Road, Chennai – 600 086

Phone: (044) 2811 1654, 2811 1299, 4235 9709

Fax: (044) 2811 7013

E-mail: wcpm.south@westcoastpaper.com

### South Zone -2

"Chandrakiran Building", 4th Floor,

10/A, Kasturba Road,

Bangalore – 560 001

Phone: (080) 2223 1828-1829

E-mail: wcpm.south2@westcoastpaper.com

### South Zone -3

2-2-51/119, 3rd Floor (302,303),

Mittal Chambers, M. G. Road,

Secunderabad – 500 003,

Phone: (044) 4027 6854,

E-mail: wcpm.south3@westcoastpaper.com

## TELECOM CABLE DIVISION

### West Coast Optilinks (Sudarshan Telecom)

Plot No. 386/387, KIADB, Electronic City

Hebbal Industrial Area, Mysore – 570 016

Phone: (0821) 240 4060, Fax: (0821) 240 4061

E-mail: info@westcoastoptilinks.com



## Ten Year Highlights

|                                      |             | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   |
|--------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>PRODUCTION</b>                    |             |        |        |        |        |        |        |        |        |        |        |
| PAPER/PAPER BOARD & MULTILAYER BOARD | Tonnes      | 313876 | 304957 | 290844 | 313311 | 306960 | 300514 | 310002 | 317808 | 308230 | 267005 |
| OPTICAL FIBRE CABLE                  | Km          | 37392  | 40097  | 28405  | 29802  | 42989  | 30438  | 20686  | 20242  | 20184  | 27951  |
| JFTC                                 | CKm         | -      | -      | -      | -      | -      | -      | -      | -      | -      | 78     |
| CONTROL CABLE                        | CKm         | -      | -      | -      | -      | -      | -      | -      | -      | 341    | 251    |
| <b>SALES</b>                         |             |        |        |        |        |        |        |        |        |        |        |
| PAPER/PAPER BOARD & MULTILAYER BOARD | Tonnes      | 304762 | 301931 | 291512 | 317951 | 315146 | 302978 | 298682 | 321018 | 305818 | 267992 |
| OPTICAL FIBRE CABLE                  | Km          | 37510  | 37930  | 28665  | 30936  | 40545  | 30368  | 21053  | 20161  | 20308  | 27985  |
| JFTC                                 | CKm         | -      | -      | -      | -      | -      | -      | -      | -      | -      | 78     |
| CONTROL CABLE                        | CKm         | -      | -      | -      | -      | -      | -      | -      | -      | 337    | 248    |
| <b>OPERATING RESULTS</b>             |             |        |        |        |        |        |        |        |        |        |        |
| TURNOVER                             | ₹/<br>Lakhs | 197251 | 196852 | 172222 | 187028 | 179953 | 174715 | 165483 | 154125 | 136620 | 110887 |
| GROSS PROFIT(PBDT)                   | ₹/<br>Lakhs | 45675  | 50068  | 33878  | 28272  | 18927  | 17853  | 14114  | 20084  | 15866  | 18919  |
| DEPRECIATION                         | ₹/<br>Lakhs | 16637  | 17526  | 11622  | 11077  | 11081  | 12220  | 12719  | 17629  | 20535  | 9610   |
| EXCEPTIONAL ITEMS                    | ₹/<br>Lakhs | -      | -      | -      | -      | 5324   | 5160   | -      | -      | -      | -      |
| TAXATION                             | ₹/<br>Lakhs | 4750   | 6800   | 4551   | 3654   | 598    | -      | 166    | 372    | -      | 1900   |
| MAT CREDIT ENTITLEMENT               | ₹/<br>Lakhs | (1367) | (2129) | (4551) | (3654) | (598)  | -      | (154)  | (335)  | -      | (1809) |
| DEFERRED TAX                         | ₹/<br>Lakhs | (1985) | (1735) | (67)   | 4938   | 1637   | 362    | 720    | 607    | (1314) | 210    |
| NET PROFIT/(LOSS)                    | ₹/<br>Lakhs | 27169  | 29631  | 22267  | 12258  | 885    | 111    | 663    | 1811   | (3356) | 9008   |
| DIVIDEND                             | ₹/<br>Lakhs | 3302   | 3302   | 2642   | 1651   | 660    | -      | 660    | 660    | 206    | 1807   |
| <b>FINANCIAL POSITION</b>            |             |        |        |        |        |        |        |        |        |        |        |
| GROSS BLOCK                          | ₹/<br>Lakhs | 254597 | 244131 | 229298 | 215871 | 210374 | 207934 | 205632 | 201596 | 198706 | 185045 |
| DEPRECIATION                         | ₹/<br>Lakhs | 158489 | 141919 | 126044 | 115432 | 104040 | 93035  | 80866  | 69565  | 52570  | 32205  |
| NET BLOCK                            | ₹/<br>Lakhs | 96108  | 102212 | 103254 | 100439 | 106334 | 114899 | 124766 | 132031 | 146136 | 152840 |
| PAID UP CAPITAL                      | ₹/<br>Lakhs | 1321   | 1321   | 1321   | 1321   | 1321   | 1321   | 1321   | 1321   | 1255   | 7755   |
| RESERVES & SURPLUS                   | ₹/<br>Lakhs | 128232 | 109031 | 82580  | 62594  | 58547  | 58456  | 58345  | 58455  | 55698  | 59293  |
| NET WORTH                            | ₹/<br>Lakhs | 129553 | 110352 | 83901  | 63915  | 59868  | 59777  | 59666  | 59776  | 56953  | 67048  |
| BORROWINGS                           | ₹/<br>Lakhs | 76691  | 40021  | 30416  | 49986  | 74393  | 91042  | 106608 | 108063 | 126365 | 121246 |
| CAPITAL EMPLOYED                     | ₹/<br>Lakhs | 206245 | 150373 | 114317 | 113901 | 134261 | 150819 | 166274 | 167839 | 183318 | 188294 |
| <b>SOME SELECTED RATIOS</b>          |             |        |        |        |        |        |        |        |        |        |        |
| EARNINGS PER SHARE (₹ 2) (BASIC)     | ₹           | 41.85  | 44.82  | 33.80  | 19.46  | 1.34   | 0.17   | 1      | 9      | 4      | 14     |
| BOOK VALUE PER SHARE                 | ₹           | 196    | 167    | 127    | 97     | 91     | 91     | 90     | 91     | 91     | 107    |
| DIVIDEND [EQUITY SHARES]             | %           | 250    | 250    | 200    | 125    | 50     | -      | 50     | 50     | 10     | 100    |
| DEBT EQUITY RATIO                    |             | 37:63  | 27:73  | 27:73  | 44:56  | 55:45  | 60:40  | 64:36  | 64:36  | 69:31  | 64:36  |

## Directors' Report

Your Directors are pleased to present the 65th Annual Report of your Company, together with the audited financial statements for the year ended 31st March 2020.

### FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

| Particulars  | 31st March, 2020 | 31st March, 2019 |
|--|------------------|------------------|
|  | (₹ in Crores)    |                  |
| Profit Before Finance Cost, Depreciation and Tax (PBIDT) | 528.79           | 529.92           |
| Finance Cost   | 72.04            | 29.24            |
| Profit Before Depreciation and Tax                       | 456.75           | 500.68           |
| Depreciation   | 166.37           | 175.26           |
| Tax Expenses (Including Deferred Tax)                    | 13.98            | 29.36            |
| Profit After Tax (PAT)                                   | 276.40           | 296.06           |
| Other Comprehensive Income (Net of Tax)                  | (4.71)           | 0.25             |
| Total Comprehensive Income                               | 271.69           | 296.31           |

### DIVIDEND:

Interim Dividend of ₹ 5.00 per equity share (250%) for the financial year 2019-20 has been paid on 26.03.2020. Through Notice of 65th Annual General Meeting for the year ended 31st March, 2020, seeks shareholders' approval for treating the same as final dividend.

### PERFORMANCE:

The performance of the Company during the year under review has been satisfactory. The production & working during this year got impacted due to planned shut of ENMAS Recovery Boiler for 19 days in Oct. Finance Cost was higher due to NCDs /Loan taken for APL acquisition. Due to COVID 19 in March 2020, production of 5924 MT and Sales of 10136 MT got impacted.

Due to COVID 19 full plant was stopped from 26.03.2020. Based on Govt. approval for continuous process plant, plant was restarted on 04.04.2020. Since then plant is running at partial capacity due to low demand. It is expected to improve in Q2 FY 21.

### DIVISION WISE PERFORMANCE:

#### PAPER AND PAPERBOARD DIVISION, DANDELI

The production of Paper and Paperboard was 313876 MT (98% capacity utilization) during the year against 304957 MT in the last year (95% capacity utilization) i.e., higher by 8919 MT. The sale of Paper and Paperboard was 304762 MT during the year against 301931 MT in the last year i.e., higher by 2831 MT. Turnover during the year was ₹ 1866 Crores as against ₹ 1851 Crores in the last year, i.e., higher by ₹ 15 Crores. The EBITDA margin was 24.56% during the year.



**BIELOMATIC SHRINK PACK MACHINE**



**MDT HEAT RECOVERY**



## Directors' Report (Contd.)

### CABLE DIVISION, MYSORE

The production of Optical Fibre Cable was 37392 Kms during the year against 40097 Kms in last year, thereby lower production by 2705 Kms due to loss of operations in March, 2020. The sale of Optical Fibre Cable was 37510 Kms during the year as against 37930 Kms in the last year i.e. lower by 420 Kms. The turnover was ₹ 107 Crores during the year as against ₹ 117 Crores in the last year i.e., lower by ₹ 10 Crores. The EBITDA margin was 19.32% during the year.

### EXPORTS:

Export of Paper and Paperboard in foreign currency during the year was 3588 MT worth ₹ 21 Crores (FOB) as against 2530 MT worth ₹ 17 Crores (FOB) in the last year. Similarly Cable worth ₹ 8 Crores (FOB) was exported during the year as against ₹ 4 Crores in the last year.

### FUTURE PLAN:

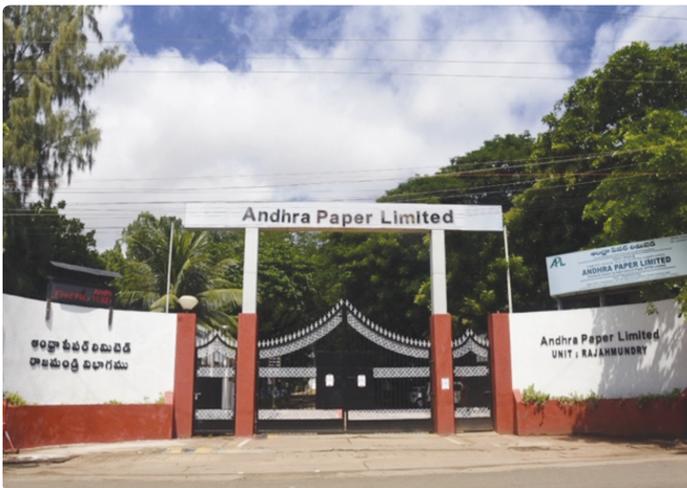
Company is continuously working by phase wise investment at Paper Division, Dandeli for improving paper quality, produce new speciality products and reduction of usage of steam, power, chemical, water and also minimize the breakdown of machines.

Additionally, the Company's Cable Division is also working on Green field expansion in Telangana for backwards integration of raw material required for Optical Fibre Cable which will be commissioned on approvals from M-Sips. The Land has already been acquired from the Government of Telangana.

### ANDHRA PAPER LIMITED ACQUISITION AS SUBSIDIARY COMPANY:

In line with growth plan, the Company carried out strategic acquisition of International Paper APPM Limited (IPAPPM). The share purchase agreement was signed on 29.05.2019.

On 29.10.2019 the Company acquired 55% of the paid up share capital of IPAPPM by 13902025 equity shares of ₹ 10/- each from International Paper Investments (Luxembourg) S.a.rl and 7971496 equity shares of ₹ 10/- each from IP International Holding Inc. In terms of Letter of Offer dated 30.08.2019, the Company acquired on 11.10.2019, 6839879 equity shares of ₹ 10/- each representing 17.20% of the paid up share capital of IPAPPM from public shareholders. Consequently IPAPPM Limited has become a subsidiary of the Company having total share holding of 72.20%. The name of IPAPPM Limited has been changed to Andhra Paper Limited (APL) w.e.f. 09.01.2020. The acquisition has been carried out from internal accrual, borrowing from Banks and NCDs. The working of APL for the year ended 31st March, 2020 has been satisfactory.



A GLIMPSE OF ANDHRA PAPER LIMITED

as approved by the Board is uploaded on the Company's website: [www.westcoastpaper.com](http://www.westcoastpaper.com).

### ANNUAL RETURN:

As per the Companies (Amendment) Act, 2017 dated 3rd January, 2018 read with notification dated 9th February, 2018 a copy of Annual Return is available at the weblink : <http://www.westcoastpaper.com/investors/>.

### RELATED PARTY DISCLOSURE AND TRANSACTIONS:

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

All related party transactions are placed before the Audit Committee as also the Board for approval. The Details of related party disclosure and transactions as required by the Accounting Standards (Ind AS 24) and AOC-2 have been made in the notes to the Financial Statements.

The Company has developed a policy on related party transaction and its materiality for the purpose of identification and monitoring of such transactions. The Policy on related party transaction and its materiality



## Directors' Report (Contd.)

### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company has framed a Corporate Social Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013. CSR Committee has been framed pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, to oversee the CSR activities initiated by the Company during the financial year under review. Annual Report on CSR in the prescribed format is attached and forms a part of this report & policy may be accessed on the Company's website.

### **MEETINGS OF THE BOARD:**

During the year under review, Seven Board Meetings were held and details thereof are mentioned in the Report on Corporate Governance forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 is as below :

#### **Appointment policy for Independent Directors, Key Managerial Personnel & Senior Executives is as under-**

##### **(A) Independent Directors:**

Independent Directors are appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, Rules made there under & Listing Agreements entered with Stock Exchanges.

##### **(B) Key Managerial Personnel (KMP):**

KMP are appointed by the resolution of the Board of Directors of the Company, based on the qualification, experience and exposure in the prescribed fields. Removal of the KMP is done by the resolution of the Board of Directors of the Company. Appointment/Removal is in accordance with provisions of the Companies Act, 2013, Rules made there under & Listing Agreements entered with Stock Exchanges.

##### **(C) Senior Executives:**

Senior Executives are appointed by the Chairman & Managing Director and/or Executive Director of the Company based on their qualification, experience & exposure. Removal of the Senior Executives is also done by Chairman & Managing Director and/or Executive Director. Further, appointment & removal are noted by the Board as required under clause 8(3) of Companies (Meetings of the Board and its Powers) Rules, 2014.

### **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:**

Criteria for performance evaluation of Independent Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith forms a part of this report.

### **MANAGERIAL REMUNERATION:**

The requisite details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith forms a part of this report.

### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/ OUTGO:**

The information required under Section 134(3)(m) of the Companies Act, 2013 is annexed herewith forms a part of this report.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS :**

A comprehensive Management's Discussion and Analysis Report, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith forms a part of this report.



## Directors' Report (Contd.)

### **CORPORATE GOVERNANCE:**

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is annexed herewith forms a part of this report.

A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith, forms a part of this report.

The Company is complying with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance and reports to that effect are being regularly filed with the Stock Exchanges. The Company has obtained declaration from the Directors and Senior Management Personnel of the Company for compliance of Code of Conduct and the Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 26.06.2020.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement, as required under Section 134(5) of the Companies Act, 2013, is annexed herewith forms a part of this report.

### **DIRECTORS AND KMP:**

#### **Retirement by Rotation**

Shri Saurabh Bangur (DIN:00236894) will retire from the office by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **Appointment**

Shri Virendraa Bangur (DIN:00237043) has been appointed as Additional Director of the Company at the meeting of the Board held on 12th November, 2019 and re-designated as Joint Managing Director at the meeting of the Board held on 26th June, 2020. Notice of ensuing Annual General Meeting includes the proposal for appointment as Director and appointment/re-designation as Joint Managing Director.

Smt. Arpita Vinay (DIN: 06940663) has been appointed as Additional Independent Woman Director of the Company at the meeting of the Board held on 26th June, 2020 and Notice of ensuing Annual General Meeting includes the proposal for appointment as Director.

#### **Re-appointment**

There was no re-appointment of Director during the year.

### **DECLARATION BY DIRECTORS:**

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of meeting the criteria of independence provided under Section 149(6) of the Companies Act, 2013 and clause (b) of sub-regulation (1) of the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **REPORTING OF FRAUDS:**

Auditors of the Company have not reported any fraud as specified under the 2nd provision to Section 143(12) of the Companies Act, 2013.

### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.



## Directors' Report (Contd.)

### SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2020 was ₹ 1320.98 lakhs comprising of 6,60,48,908 Equity Shares of ₹ 2/-each. During the year under review, the Company has not issued any further shares to the members or general public.

### NON-CONVERTIBLE DEBENTURES:

During the year ended on 31.03.2020, Company has allotted Nos.1980, 10.30%, Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to ₹ 198.00 Crores for the acquisition of Andhra Paper Limited (formerly known as International Paper APPM Limited). ICRA Limited assigned the credit rating as: ICRA AA-Stable for Non-Convertible Debentures.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments cover under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

### BUSINESS RESPONSIBILITY REPORT (BRR):

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, notified on 26.12.2019, amended the Regulation 34(2)(f), which requires, Annual Report of top one thousand listed entities based on market capitalization, shall contain BRR. BRR is annexed herewith forms a part of this report.

### FAMILIARIZATION POLICY:

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The Policy is available on the website of the Company: [www.westcoastpaper.com](http://www.westcoastpaper.com).

### VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The vigil mechanism of the Company incorporates a policy under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 7 of the Companies (Meeting of the Board and its Power) Rules 2014, provide the mechanism for Employees and Directors of the Company to approach the Executive Director and the Chairman of the Audit Committee of the Board. Protected disclosures can be made by a Whistle Blower by means of e-mail or telephone or letter to the Executive Director or to the Chairman of the Audit Committee. The policy on Vigil Mechanism may be accessed on the Company's website.

### BUSINESS RISKS MANAGEMENT:

Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a framework to inform the Board about the particulars of Risks Assessment and Minimization Procedures (Risks Management) Plan. The Risks Management Plan is available on the website of the Company.

### DISCLOSURE PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Details required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Companies (Accounts) Amendment Rules, 2018 covered in the report of Corporate Governance forms a part of this report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

There are no significant and material orders passed by the Regulators or Courts, which would impacts the status of the Company and its future operations.

### AUDITORS' REPORT:

The Notes on Accounts and the observations of the Auditors in their report on the Accounts of the Company are self explanatory and in the opinion of the Directors, do not call for any clarifications.



## Directors' Report (Contd.)

### AUDITORS:

#### a. Statutory Auditors and their Report

M/s Singhi & Co. Chartered Accountants, Kolkata appointed as Statutory Auditors at the 62nd Annual General Meeting of the Company pursuant to the provision of rotation under section 139 and 141 of the Companies Act, 2013 and rule 7 of the Companies (Audit and Auditors) Rules, 2014, for a period of 5 consecutive years ending on 31.03.2022 and consent of the members accorded at the 63rd Annual General Meeting held on 22nd August, 2018 to continue the appointment thereof, as the Auditors of the Company for the remaining term without any further ratification by the shareholders, pursuant to the amended provisions of Section 139 of the Companies Act, 2013 and Rules made there under, notified by Ministry of Corporate Affairs as on 07.05.2018. The observations of the Auditors in their report for the financial year 2019-20 on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

#### b. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Naman Joshi, Bangalore practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit of the records maintained by the Company for the financial year 2019-20. The report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report.

#### c. Cost Auditor and Cost Audit Report

Pursuant to revised order of the Central Government dated 31.12.2014 Cost Audit of the Cost Records of the Company is mandatory from the financial year starting 1st April 2015 and Shri Umesh Kini, Cost Accountant, Sirsi has been appointed as Cost Auditor of the Company to conduct Cost Audit of Cost Records maintained by the Company for the financial year 2020-21. Accordingly matter relating to the appointment will be placed in next Annual General Meeting.

### INTERNAL CONTROL SYSTEM:

There are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inputs, availing of services, fixed assets, for the sale of goods and providing of services. Full-fledged Internal Audit department carries out pre and post audit of all significant transactions throughout the year. Company has also appointed M/s S.S.Kothari Mehta & Co., Chartered Accountants, New Delhi (outsourced) as Internal Auditor. Based on the Annual Internal Audit programme as approved by Audit Committee of Board, regular internal audits are conducted. Findings are placed before Audit Committee, which reviews and discuss the actions taken with the Management.

### INDUSTRIAL RELATIONS:

Industrial Relations remained cordial throughout the year under review. The Company has entered into a tripartite long-term wage revision settlement with Joint Negotiation Committee of Unions on 04.05.2016 for the period from 01.01.2015 to 31.12.2018. The process of renewal of tripartite long-term wage revision settlement with Joint Negotiation Committee of Unions from 01.01.2019 is going on. Your Directors acknowledge the support and co-operation from employees at all levels.

### AWARDS AND RECOGNITION:

In recognition of good management systems and safety performance during 2017 & 2018, National Safety Council, Karnataka Chapter awarded us with Uthama Suraksha Puraskara Trophy & Certificate.

### CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report forms a part of this report.

A Report on the performance and financial position of wholly owned subsidiary company (West Coast Opticable Limited) and listed subsidiary Company Andhra Paper Limited for the financial year ended 31.03.2020 included in the Consolidated Financial Statements is presented in the separate section AOC-1, forms a part of this report.

Pursuant to the provisions under Section 136 of the Companies Act, 2013 the financial statements including consolidated



## Directors' Report (Contd.)

financial statements along with relevant documents and separate Audited Accounts of the subsidiary companies are available at the Company's website.

### **ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation and thanks to the Central and State Governments, Banks, Financial Institutions, Customers, Suppliers and Shareholders for their continued support and co-operations.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees of the Company, who have contributed significantly towards Company's performance and growth.

For and on behalf of the Board

Place : Dandeli  
Date : June 26, 2020

**S. K. Bangur**  
*Chairman & Managing Director*  
DIN:00053237



## Annexure to Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. A brief outline of the company's CSR policy, including overview of : website : <http://westcoastpaper.com>  
projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.
2. The Composition of the CSR Committee : (1) Shri S. K. Bangur  
(2) Shri Saurabh Bangur  
(3) Shri M. P. Taparia
3. Average net profit of the company for last three financial years. : ₹ 23,919.09 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in : ₹ 478.38 Lakhs  
item 3 above)
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : ₹ 478.38 Lakhs
  - b) Amount unspent, if any; : ₹ 119.19 Lakhs
  - c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lakhs)

| 1       | 2   | 3                                      | 4   | 5   | 6  | 7  | 8  |
|---------|---|--|---|---|--|--|--|
| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or program (2) Overheads | Cumulative expenditure up to the reporting period. | Amount spent: Direct or through implementing agency  |
| 1       | <b>Health Care Programs -</b><br>Animals health check-up and free Veterinary Camps with distribution of medicines and protein supplements, Village level health check-up and free distribution of medicines, Pediatric Health Camp. Eye, ENT & Orthopedic Camp, Free Eye check up camp at Lions Club Ambikanagar Dandeli, General Medical Check-up Camp in association with VED Trust Haliyal & KLE's Hospital Belgaum, Distribution of First Aid Boxes to Schools and Colleges. Preventive Measures for COVID-19. Installation of Sanitary Napkin Incinerator at Schools and Colleges and Contributed Medical Equipment to Govt. Hospitals & ESI Hospitals of Dandeli & Haliyal. | Health Care                            | Rural/Local, Dandeli/Haliyal, Distt. : Uttara Kannada, Karnataka/ others  | 14.31   | 14.31  | 14.31  | Directly/Free Medicines/ Pediatric/ ENT/ Orthopedic Check- up Camp, Veterinary Camps and COVID-19. |

## Annexure to Directors' Report (Contd.)

(₹ in Lakhs)

| 1       | 2   | 3   | 4   | 5   | 6  | 7  | 8   |
|---------|---|---|---|---|--|--|---|
| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered              | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or program (2) Overheads | Cumulative expenditure up to the reporting period. | Amount spent: Direct or through implementing agency   |
| 2       | <b>Education Support Programs-</b><br>Distribution of Umbrella, School Bags, School Uniforms to poor Students. Distribution of subsidised note books. Contributed to Govt. Schools Maynal and tailoring training for poor students and women. Free distribution of Desks cum Benches, Computers to Schools & Colleges. Contributed to DES, Anganwadi day care Dandeli, Friends Tribal Society Kolkata, Gyan Jyoti Education Foundation Guwahati, Assam, Alipore Unnish Society Kolkata, Jyotirmai Club Kolkata to promote the education of poor & tribal Students. Renovation & Construction of roof, class rooms and toilet blocks of Shri Swami Vivekanand Education Trust Haliyal, Shree Chatrapati Shivaji Education Trust Haliyal, Aadarsh High School Dandeli, Bapuji Grameen Vikas Junior College Joida, Rotary Education Society's School Dandeli, Kalika Bhavani English Medium School Kansur Siddapur, DES's Degree College & Junior College Dandeli. | Education   | Dandeli / Haliyal Dist: Uttara Kannada, Karnataka and Kolkata, West Bengal and Assam                                      | 263.51  | 263.51   | 263.51   | Directly to the Children and Schools and Colleges and Direct Contribution to Education Trust, Societies and Foundation. |
| 3       | <b>Environmental Initiative</b> - Maintenance of Dandakarnya Eco Park, Nandgokul Garden in Dandeli, Swatch Bharat Programmes in Dandeli City areas. Drawing competition on the occasion of World Environment Day and celebrated Earth Day. Distribution of Grocery Bags to stop plastic usage and Garbage Basket to APMC Haliyal.   | Environmental Sustainability and Ecological Balance | Dandeli Taluka, Dandeli public and Dandeli region.  | 14.63   | 14.63  | 14.63  | Directly to the concerned performer.  |



## Annexure to Directors' Report (Contd.)

(₹ in Lakhs)

| 1       | 2  | 3  | 4   | 5   | 6  | 7  | 8   |
|---------|--|--|---|---|--|--|---|
| Sl. No. | CSR project or activity identified   | Sector in which the Project is covered   | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or program (2) Overheads | Cumulative expenditure up to the reporting period. | Amount spent: Direct or through implementing agency                 |
| 4       | <b>Rural Infrastructure Development (Other than for the purpose of Health/Education/Livelihood and others):</b> Contribution to Karnataka Sangha to promote and celebrate social activities. Renovation, Painting and construction of Hornbill Community Hall, Dr. Ambedkar Community Hall, Sevalal Lamani Navayuvak Mandal Community Hall Dandeli and Sri Kadasiddeshwara Devasthan Community Hall Harnoda. Installation/ Fixing of Bus Shelter at Maruti Nagar Dandeli, Cement Benches near Parks Dandeli and LED lights to Statue of Shri Chatrapati Shivaji Dandeli. | Rural Development Projects               | Down Stream Villages and surroundings of Dandeli and In Uttara Kannada District, Kansur, Harnoda and Siddapur             | 18.77   | 18.77  | 18.77  | Directly executed by Company and Direct Contribution to the Trusts. |
| 5       | <b>Promotion and Development of Traditional Arts &amp; Culture</b> - Contributed to Press Club, Children Development Shalin Fellowship Udyan Care, West Bengal and Bhartiya Sangeet Vidyalaya to celebrate/promote National Heritage, Traditional Arts and Culture.  | Protection of Heritage, Arts and Culture | Dandeli Local Area and at Karwar, Haliyal, Joida and West Bengal  | 19.69   | 19.69  | 19.69  | Directly to the performers.   |
| 6       | <b>Making Available Safe Drinking Water for Rural Public</b> - Water supply management at Kerwad and Badakhansirda village, repairing water tanks and pipeline at Karyampalli, Mayanal, Halamaddi, Harnoda and Sakshali villages. Distribution of RO Water Purifier to Taluk Hospital Joida, Schools & Colleges. Rejuvenation of Lakes for the purpose of drinking water to animals and rain water conservation.   | Safe Drinking Water                      | Seven Down Stream Villages of Dandeli and Joida   | 16.46   | 16.46  | 16.46  | Directly incurred by Company.                                       |



## Annexure to Directors' Report (Contd.)

(₹ in Lakhs)

| 1       | 2  | 3  | 4   | 5   | 6   | 7  | 8  |
|---------|--|--|---|---|---|--|--|
| Sl. No. | CSR project or activity identified   | Sector in which the Project is covered                     | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>Subheads:<br>(1) Direct expenditure on projects or program<br>(2) Overheads | Cumulative expenditure up to the reporting period. | Amount spent: Direct or through implementing agency                  |
| 7       | <b>Contributions &amp; Sponsorships for Rural Sports and Nationally Recognised Sports</b> - Sponsorship for Taluk, District, State, National and International level Rural Sports meet, Contributions to renovating of sitting gallery of Police Ground for Promoting rural Paralympic & Olympic Sports events and Calcutta South Club Ltd for event support. Renovation of Sports Hall at St. Michael English Medium School, Dandeli. | Promotion of Rural Sports and Nationally Recognised Sports | Dandeli, Karwar Region Public and Kolkata   | 11.44   | 11.44   | 11.44  | Direct Payments to Activity Organisers / Supply of Sports materials. |
| 8       | <b>Contribution to the benefit of Martyrs' Dependents at Uttara Kannada District, Natural Disaster, War Widow</b> - Woolen Blankets to flood affected people of Vasare & Kundragi Villages of Ankola Taluka. Contribution to Armed Flag Day.   | Natural Disaster   | Ankola Taluk  | 0.39  | 0.39  | 0.39   | Directly.  |
|         |  |  |   | <b>359.19</b>                                   | <b>359.19</b>   | <b>359.19</b>                                      |  |

\* Give details of implementing agency : **Company itself.**

- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - The Board took all possible initiatives to ensure that the amount of ₹ 478.38 Lakhs be spent on CSR in accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder. However, due to project mode of CSR activity, where the project time extends beyond the financial year, the Company could not spend ₹ 119.19 Lakhs on CSR.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.:- Yes. It is in Compliance.

Place : Dandeli

Date : June 26, 2020

**Saurabh Bangur**

Vice Chairman

DIN:00236894

**S. K. Bangur**

Chairman of CSR Committee

DIN:00053237



# Annexure to Directors' Report (Contd.)

## WCPM INITIATIVES TOWARDS CORPORATE SOCIAL RESPONSIBILITY



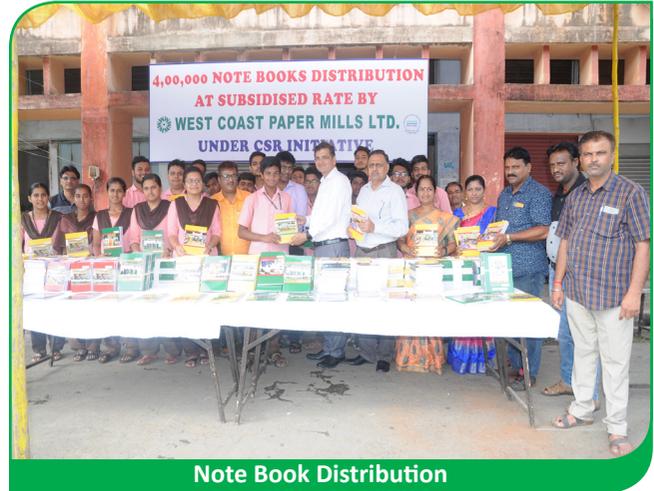
Bus Shelter Constructed at Maruti Nagar Dandeli



Steel Desk Provided to Down Stream Villages



Say-No-To Plastic Drive Grocery Bags Distribution



Note Book Distribution



Mega Child Health Check up Camp



Animal Health Check up Camp

## Annexure to Directors' Report (Contd.)

### PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

- (1) Attending Board/Committee Meetings.
- (2) Going through the agenda papers and providing inputs in the meetings of Board/ Committees.
- (3) Guidance to the company from time to time on the various issues brought to their notice.
- (4) Discharge of duties as per Schedule IV of the Companies Act, 2013 and compliance to other requirements of the said Act or other regulatory requirements.

For and on behalf of the Board

Place : Dandeli

Date : June 26, 2020

**S. K. Bangur**

*Chairman & Managing Director*

### Statement Pursuant to section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Requirements  | Disclosures   |
|--------|---|---|
| (i)    | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;   | <b>Shri S. K. Bangur</b><br><i>Chairman &amp; Managing Director</i> : 367:1   |
|        |   | <b>Shri Rajendra Jain</b><br><i>Executive Director</i> : 42:1   |
|        |   | <b>Shri Brajmohan Prasad</b><br><i>Company Secretary &amp; Compliance Officer</i> : 4:1   |
| (ii)   | The percentage increase in remuneration of each director, Chief Financial officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;  | <b>Shri S. K. Bangur</b><br><i>Chairman &amp; Managing Director</i> : 45.16% (including commission paid during the year pertaining to 2018-19)                      |
|        |   | <b>Shri Rajendra Jain</b><br><i>Executive Director</i> : 5.73%  |
|        |   | <b>Shri Brajmohan Prasad</b><br><i>Company Secretary &amp; Compliance Officer</i> : 19.07%  |
| (iii)  | The percentage increase in the median remuneration of employees in the financial year;  | 4.28%   |
| (iv)   | The number of permanent employees on the rolls of company;  | 2378  |
| (v)    | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average increase in salary/wages of the employees was 3.29% (other than managerial personnel) whereas remuneration to managerial personnel increased by 39.55%. |
| (vi)   | The key parameters for any variable component of remuneration availed by the directors;   | Commission based on profit pursuant to terms of appointment of Shri S. K. Bangur, Chairman & Managing Director.   |
| (vii)  | Affirmation that the remuneration is as per the remuneration policy of the company.   | It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.  |



## Annexure to Directors' Report (Contd.)

### BUSINESS RESPONSIBILITY REPORT 2019 - 20

#### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number (CIN) of the Company   | L02101KA1955PLC001936  |
| 2  | Name of the Company  | West Coast Paper Mills Limited   |
| 3  | Registered address   | PB No. 5, Bangur Nagar, Dandeli – 581325<br>District – Uttara Kannada, Karnataka   |
| 4  | Website  | www.westcoastpaper.com   |
| 5  | E-mail id  | co.sec@westcoastpaper.com  |
| 6  | Financial year reported  | 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020  |
| 7  | Sector(s) that the Company is engaged in (industrial activity code-wise)                         | I. Manufacture of Pulp, Paper and Paper Board (NIC Code 1701)<br>II. Manufacture of Optic Fibre Cable (NIC Code 27310)                               |
| 8  | List three key products/services that the Company manufactures / provides (as in balance sheet ) | I. Writing & Printing Paper<br>II. Cup Stock Paper Board<br>III. Optic Fibre Cable   |
| 9  | Total number of locations where business activity is undertaken by the Company                   | I. Number of International Locations (Provide details of major 5) - NIL<br>II. Number of National Locations<br>2 locations have manufacturing units. |
| 10 | Markets served by the Company – Local / State / National / International                         | Local/State/National/International markets<br>India – 75 Dealers and 6 Zonal Offices.<br>International – 15 Countries.                               |

#### SECTION B : FINANCIAL DETAILS OF THE COMPANY

|   |   |  |
|---|---|--|
| 1 | Paid up Capital (INR)   | 1321 Lakhs   |
| 2 | Total Turnover (INR)  | 197251 Lakhs   |
| 3 | Total Profit after taxes (INR)  | 27640 Lakhs  |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company's total spending on CSR for the year ended 31 <sup>st</sup> March, 2020 was ₹ 359.19 Lakhs which is 1.30% of the profit after tax. |
| 5 | List of activities in which expenditure in 4 above has been incurred:-                        | Please refer Annexure to Board's Report for details on CSR initiatives undertaken by the Company.  |

#### SECTION C : OTHER DETAILS

|   |   |  |
|---|---|--|
| 1 | Does the Company have any Subsidiary Company / Companies?   | 1. Andhra Paper Limited (APL).<br>2. West Coast Opticable Limited (WCOL).  |
| 2 | Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company (s).   | No, the Subsidiary Companies do not participate in the BR initiatives of the Company.                              |
| 3 | Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]. | The Company has not mandated any Supplier, Distributors etc., to participate in the BR initiatives of the Company. |

## Annexure to Directors' Report (Contd.)

### SECTION D : BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

##### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

|   |             |                    |
|---|-------------|--------------------|
| 1 | DIN Number  | 07250797           |
| 2 | Name        | Rajendra Jain      |
| 3 | Designation | Executive Director |

##### b) Details of the BR head

| No. | Particulars                | Details                          |
|-----|----------------------------|----------------------------------|
| 1   | DIN Number (if applicable) | 07250797                         |
| 2   | Name                       | Rajendra Jain                    |
| 3   | Designation                | Executive Director               |
| 4   | Telephone Number           | 08284 – 231391                   |
| 5   | E mail ID                  | rajendra.jain@westcoastpaper.com |

#### 2. Principle-wise (as per NVGs) BR Policy / policies

| Principles | Description   | Company's Policy   |
|------------|---|--|
| P1         | Business should conduct and govern themselves with Ethics, Transparency and Accountability.   | Code of Conduct , Whistle Blower Policy                        |
| P2         | Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.                                    | Quality Policy   |
| P3         | Business should promote the well-being of all employees.  | HR Policy, Prevention of Sexual Harassment at Workplace (SHAW) |
| P4         | Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. | CSR Policy   |
| P5         | Business should respect and promote human rights.   | CSR Policy   |
| P6         | Business should respect, protect and make efforts to restore the environment.   | Environment Policy   |
| P7         | Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.   | Code of Conduct  |
| P8         | Business should support inclusive growth and equitable development.   | CSR Policy   |
| P9         | Business should engage with and provide value to their customers and consumers in a responsible manner.   | Quality Policy   |



## Annexure to Directors' Report (Contd.)

### Details of compliance (Reply in Y/N)

| No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 1   | Do you have a policy/policies for  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2   | Has the policy been formulated in consultation with the relevant stakeholders?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3   | Does the policy conform to any national/international standards? If yes, specify? (50 words)   | Most of the policies are aligned to various standards like ISO 18001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System). |    |    |    |    |    |    |    |    |
| 4   | Has the policy being approved by the Board?<br>If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?                                  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5   | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?                                  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6   | Indicate the link for the policy to be viewed online?  | Copies of the policy will be made available on receipt of written request from stakeholders  |    |    |    |    |    |    |    |    |
| 7   | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8   | Does the Company have in-house structure to implement the policy/policies?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9   | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievance related to the policy/policies? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10  | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                               | The policies are evaluated internally from time to time and updated whenever required.   |    |    |    |    |    |    |    |    |

**b) If answer to the question at serial number 1 against any principle, is 'No', please explain why : ( Tick up to 2 options)**

| No. | Questions  | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|----------------|----|----|----|----|----|----|----|----|
| 1   | The Company has not understood the Principles  | Not Applicable |    |    |    |    |    |    |    |    |
| 2   | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles. |                |    |    |    |    |    |    |    |    |
| 3   | The Company does not have financial or manpower resources available for the task   |                |    |    |    |    |    |    |    |    |
| 4   | It is planned to be done within next 6 months  |                |    |    |    |    |    |    |    |    |
| 5   | It is planned at be done within the next 1 year  |                |    |    |    |    |    |    |    |    |
| 6   | Any other reason (please specify )   |                |    |    |    |    |    |    |    |    |

### 3. Governance related to BR

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Company does not have a Committee of Board specifically for dealing with this matter. However, aspects of Business Responsibility are being reviewed by various other committees of the Executives/Board from time to time.

## Annexure to Directors' Report (Contd.)

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the Company's first foray into publishing the Business Responsibility Report for the year under review. The report will be uploaded on the Company's website.

### SECTION E : PRINCIPLE-WISE PERFORMANCE

#### Principle 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group /Joint Ventures/Suppliers/Contractors/NGO's/Others?**

The Company is committed to highest standards of corporate governance practices within the organisation. It forms an integral part of our values, ethics and business practices which is aimed at creating and enhancing long term value of stakeholders. The Policy relating to Ethics, Transparency and Accountability is the backbone of our Company and guides the operations of the Company alone. The Policy includes Code of Conduct which applies to the Directors and the Senior Management of the Company. A Whistle Blower Policy/Vigil mechanism is also in place, which provides opportunity to all stakeholders to report any concerns/issues/incidents about unethical behavior, actual or suspected fraud or violation of the code of conduct or policies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Ten investor complaints were received during the financial year ended 31<sup>st</sup> March 2020, all of which were promptly resolved to the satisfaction of the investor concerned. Customer complaints have been covered under Principle 9. No other stakeholder complaints from depositors, vendors, dealers etc. were received; all queries were promptly responded to the stakeholder concerned.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environment concerns, risks and/ or opportunities.**

The Company's Paper Division produces well established brands of commercial and premium grades of paper and boards ranging from 54 to 600 GSM, catered across six different product segments namely writing, printing, business stationary, specialty, industrial and packaging. The Company is constantly focusing on development of products and customer satisfaction.

The Company is committed to harmonizing its business interests with the world's dire need for a clean environment. This conviction of the Company of the need to operate in sync with environmental concerns is enshrined in a comprehensive environment management policy, which is practiced across the organization in all spheres of its activities. Guided by the principle tenet of environment responsibility, the Company manufactures paper and boards using raw material and technology that protects the earth's natural resources and bio-diversity for generations to come.

The Company is also committed to green production, resource conservation, and responsible waste management. This commitment of the Company has reflected in its 'minimum impact-best process' technology that involves green production, resource conservation, responsible waste management and a reduced pollution load, as its core dimensions.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

The Company believes that optimizing production efficiency delivers value to customers and minimizes environmental impact, therefore driving the Company towards the goal of long term sustainability.



## Annexure to Directors' Report (Contd.)

**Raw material:** The wood consumed per ton of pulp increased from 4.17 T/T in FY 2018-19 to 4.29 T/T in FY 2019-20 due to replacement of use of high yield imported chips with indigenous wood to encourage local farmers.

**Energy:** Total energy consumed per ton of product has reduced from 1286 Kwh/MT in FY 2018-19 to 1277 Kwh/MT in FY 2019-20.

**Water:** Water consumption per ton of product has reduced from 64 M3/MT in FY 2018-19 to 63 M3/MT in 2019-20.

**b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Owing to the nature of the product, it is not feasible to identify the reduction during usage by consumers.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

**a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company sources pulp wood through its Captive Plantation & Farm forestry model and Government of Karnataka (KFDC & KSFC). Pulp wood is certified by FSC-COC and FSC-CW certification which ensures that paper manufacture from wood is managed socially and environmentally in a responsible way. Captive Plantation and Farm Forestry activity of the Company are managed by Society for Afforestation, Research and Allied Works (SARA), promoted and supported by the Company.

**4. Has the Company taken any step to procure goods and services from local and small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company focuses on increasing plantations on farmers land in nearby areas under Farm Forestry thereby generating local employment and enabling local procurement of pulp wood. Plantation team distribute leaflets, pamphlets, Share videos and impart practical field training by demonstrations along with focused group discussions with farmers through village level meetings. This helps them selection of better suitable clone.

The Company encourages local job contractors for maintenance work. The Company engages services of local transporters. The Company outsourced to local vendor for paper conversion. Required training is given to local parties from time to time.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company is committed to manage the environmental impacts of its activities, products and services along with reducing environmental impact via waste minimization and re-use, recycle and reduce.

All wastes generated in are 100% recycled and reused as detailed below.

- a) Wood dust generated during chipping process is used in the boiler as fuel to generate steam.
- b) Fibrous ETP Sludge is sold to external party and used for manufacturing egg tray and packaging board.
- c) Fly ash generated during the boiler operations is used by bricks manufacturing units.
- d) During the Paper/Boards finishing, waste paper / cutting generated are re-pulped and reused in the paper making.

### Principle 3: Business should promote the wellbeing of all employees

**1. Please indicate the Total number of employees.**

- 2378 Nos.

**2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

- 1227 Nos.

## Annexure to Directors' Report (Contd.)

### 3. Please indicate the Number of permanent women employees.

- 04 Nos.

### 4. Please indicate the Number of permanent employees with disabilities.

- 02 Nos.

### 5. Do you have an employee association that is recognized by management?

The Company has 6 recognized Labour Unions. The Joint Negotiation Committee (JNC) is formed by conducting election for deciding the representative character of unions through secret ballot. The JNC is the sole bargaining agent who represents all the workmen. The Settlement negotiated by the JNC with the Management is binding and acceptable to all the workmen including the members of the other Unions.

### 6. What percentage of your permanent employees is members of this recognized employee association?

Permanent workmen and Staff up to IV Cadre: 100%

### 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Category  | No of complaints filed during the financial year. | No of complaints pending as on end of the financial year. |
|---|---|---|
| Child labour/forced labour/ involuntary labour. | Nil   | Nil   |
| Sexual harassment.                              | Nil   | Nil   |
| Discriminatory employment.                      | Nil   | Nil   |

### 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees – 100%
- Permanent Women Employees – 100%
- Casual / Temporary / Contractual Employees – 90%

The Company gives lot of importance making "SAFE WORK PLACE". All employees have to compulsorily undergo Safety Training. Specific safety modules have been designed. Tool Box Talk, Safety observation, Safety suggestions are regularly practiced to improve work condition and behavior improvements.

The Company conducts on job training and class room training programme for technical and behavior skill upgradation. In house trainers, National Board of Workers Education, Bangalore, OEM Suppliers experts conducts various programme on regular basis for skill upgradation.

### Principle 4 : Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

#### 1. Has the Company mapped its internal and external stakeholders? Yes/No.

Yes. The Company mapped with its all stakeholders. The business revolves around stakeholders, right from suppliers to customers, shareholders to communities, government to workforce and contractors. Engagement with the mapped stakeholders is an on-going process which takes place through various formal and informal channels.

#### 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company is committed to the welfare of marginalized and vulnerable sections of the society. It engages with its stakeholders on an on-going basis. The Company has mapped disadvantaged, vulnerable and marginalised stakeholders viz., communities in and around the areas of its significant operations, and is actively working towards their inclusive growth.



## Annexure to Directors' Report (Contd.)

- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company runs initiatives in the areas of health care, sanitation, providing safe drinking water, education, skill development and infrastructure development. All initiatives are directed towards helping neighbouring communities, including disadvantaged, vulnerable and marginalised stakeholders.

### Principle 5 : Businesses should respect and promote human rights

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGO's/others?**

The Company supports and respect the internationally recognized principles and guidelines for human rights. The Company does not hire child labour, forced labour or involuntary labour.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints relating to human rights were received during the financial year.

### Principle 6: Businesses should respect, protect and make efforts to restore the environment

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGO's / Others?**

The policy relating to respecting, protecting and restoring the environment covers the Company only. However, the Company encourage its suppliers, contractors and customers to take environment friendly measures in their day to day activities for sustainable operations.

- 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.,**

The Company is committed to address global environmental issues such as climate change, global warming and reducing emission etc. through various proactive initiatives to minimize its impact.

The Company has adopted energy efficient technologies and achieved specific energy consumption targets sets by Bureau of Energy Efficiency from time to time as per PAT cycles. BAT and cleaner technology were adopted keeping an environmental footprint improvement and energy efficient process. All projects while conceptualizing, are reviewed from energy and environment perspectives along with quality and process improvements.

- 3. Does the Company identify and assess potential environment risks? Y/N**

The Company upholds its green commitment "SERVING PAPER *and yet* PRESERVING NATURE". The Company has well established Environment Cell with qualified and well experienced professionals. Environment Cell is regularly monitoring and assessing the environmental risks and accordingly actions are being taken to eliminate it.

In addition to above, the Company is hiring outside environmental professionals from eminent bodies to assess the environmental risk and implementing their suggestions to minimize/ eliminate the same.

As an environmentally responsible organization, the Company committed to clean and green operations for better environment.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company is continuously adopting BAT and already has cleaner technology in place. In the recent past, the Company installed 725 TPD New Fiber line, with Ecofriendly Super Batch Cooking, Oxygen Delignification & ECF Bleaching process. The Company has satellite PCC plant manufacturing PCC by using CO<sub>2</sub> from flue gases from Lime Kiln, thereby reducing CO<sub>2</sub> emission.



## Annexure to Directors' Report (Contd.)

### 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In order to have better environmental footprints, the Company is always striving to adopt cleaner technology and operating all its operations energy efficiently. Some of the following initiatives have been taken for resource conservation;

- 1) Process improvement in cooking section by introducing Opti C & installation of Hot Black Liquor Accumulator to reduce the steam consumption.
- 2) New TRPE wash press at pulp mill washing section to improve the washing efficiency and new retention tube (Dht) in bleaching section to reduce the chemical consumption and reduction in BOD, COD and colour of effluent.
- 3) New CD Filter was installed at Chemical Recovery Plant for better mud washing and to improve the effluent quality.
- 4) Revamping of both ESPs of ENMAS Boiler to reduce the particulate emission.
- 5) Fugitive emissions controlled by sprinkling treated effluent which in turn helped in reducing discharge of effluent & also suppressing the dust for cleaner environment.
- 6) Foul odour from pulping process is overcome by adopting state of art technology in pulping with super batch cold blow system in a closed form & burning of non-condensable gases from cooking and evaporators in Rotary Lime Kiln. A new scrubbing system installed at pulp mill to recover the fumes coming from ODL blow tank.
- 7) In Paper Machine No#2 steam and condensate system upgradation to reduce steam & better condensate recovery, reduced coal consumption
- 8) In Paper Machine No#3 rebuild to reduce power consumption, fiber losses and quality improvement.
- 9) For energy efficiency, the Company has replaced old energy inefficient motors with energy efficient motors, old inefficient steam traps with new efficient steam traps mill wide, old rotary joints and siphons with new rotary joints and stationary siphons at Paper Machine, replacement of 7 Nos of old and inefficient high capacity pumps and slip ring motors with energy efficient pumps & motors, replacement of high capacity injection pump with adequate capacity pumps at power house, Installation of VFDs for energy efficiency throughout the mills.

### 6. Is the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions and waste generated by the Company are well within the permissible limits of statutory agencies for the Financial Year 2019-20.

### 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.

There are no show cause/legal notices received from CPCB/SPCB which are pending as at end of the Financial Year 2019-20.

### Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

#### 1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

The Company is member of the following associations:

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Paper Manufacturers Association (IPMA)
- Indian Pulp & Paper Technical Association (IPPTA)
- Federation of Indian Export Organisation (FIEO)



## Annexure to Directors' Report (Contd.)

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public goods? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the Company has been raising various issues like tariff hike, economic/tax reforms, environmental, energy issues, etc. through above mentioned associations.

### **Principle 8: Business should support inclusive growth and equitable development.**

- 1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company is one of the premier entity and has under take projects for development and welfare of the society in the fields of Health care , Education and skill development, Promotion of social activities & Creation of infrastructure, Protection of natural resources and sustainability, Protection & promotion of national heritage, Traditional arts & social activities, Safe drinking water (both piped and R.O units) & Soil conservation (Tanks desilting/rejuvenation), Sports & games and Contribution for natural disaster, Sustainable farm forestry agriculture.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Programs and projects are undertaken by Company's dedicated C S R Team. The CSR team assesses periodically the requirements of the target areas within the Dandeli – Haliyal- Joida Taluka in particular and Uttara Kannada District in general and co-ordinates with the needy groups/organizations/health care centers/educational institutions etc and arrange for the required assistance and materials/equipments.

- 3. Have you done any impact assessment of your initiative?**

The Company conducts an impact assessment through local academicians/NSS team. Based on their observations the Company carry out improvements in the mechanism of budget and implementation of various development activities. The Company takes up fresh assessment study periodically as per requirement.

- 4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

As per details given in Annexure to Directors' Report on CSR.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company's CSR team regularly interacts with the elected representative of City's Council and Village Panchayaths together with prominent and senior citizen to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met. Regular feedback from these persons enables to improve to ensure that the objectives and benefits of these initiatives are met.

### **Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Customer complaints received during the year 133 and 06 were in the process of being resolved as on 31st March 2020. Pending at the end of the financial year 5%.

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A/Remarks (additional information).**

The Company displays and maintains high standards of communication and information dissemination to ensure full compliance with applicable regulations. The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.



## Annexure to Directors' Report (Contd.)

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti- competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There was no incidence of non-compliance with regulations and voluntary codes concerning product and service information and labelling. Similarly, there are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2019-20.

- 4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

The Company focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.



## Annexure to Directors' Report (Contd.)

Information as per Section 134(3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report to the members for the year ended 31<sup>st</sup> March, 2020.

### (A) CONSERVATION OF ENERGY:

#### (i) Measure taken for Energy conservation (schemes completed):

1. Replacement of old and inefficient colony drinking water pumps and motors at Filter House for power saving.
2. Replacement of 12 No's. time based water drains at Air Receiver by Armstrong make Zero Air Leak liquid drains to save compressed air.
3. Application of heat resistance and thermal insulation paint in Paper Machine#1,4 and 5 dryer section for steam saving.
4. Replacement of old vacuum pump & motor with energy efficient vacuum pump & motor at Paper Machine#4 (VP#5) for power saving.
5. Installation of VFD for the pump at discharge tank no.2 to LC tank at fiber line section for power saving.
6. Removal of fluid coupling at Enmas Boiler ID Fan "A" to reduce power consumption.
7. Application of Heat resistance and thermal insulation paint in power house feed pumps, injection pump and FBC 3 wind box area for fuel saving.
8. Installation of VFD for fiber line Booster Pump at filter house - 2 numbers for power saving.
9. Installation of VFD for FBC IV Boiler P.A Fan to save energy - 2 numbers for power saving.
10. Application of heat resistance and thermal insulation paint in Power House FBC 4 wind box, CTA line furnace door, Economiser Inspection & APH Inspection door for fuel saving.
11. Use of 5 star energy efficient fans in place of conventional ceiling fans 143 No's for power saving.
12. Use of LED tube lights (805 Numbers) in place of conventional fluorescent tube lights for power saving.
13. Replacement of 2 number 57m<sup>3</sup>/Hr. small capacity vacuum pumps with 75m<sup>3</sup>/Hr. higher capacity single vacuum pump at Paper Machine no.5 for power saving.
14. New Traps installation & Trap replacement at Fiber line 09 no's & Power House 3 no's for steam saving.
15. MDT Vent waste heat recovery system at ENMAS Recovery boiler for steam saving.

#### (ii) Steps taken for utilizing alternate sources of Energy :

1. The Company is generating steam from chemical recovery boilers wherein Black Liquor Dry Solids (by product of wood) is fired to generate steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy (U&I Group), Government of India vide their letter no. 20/122 /2011-U&I dated 09.01.2012. The steam generated from chemical recovery boilers is 55% of total steam generation of the mill in the year 2019-20.
2. Using Turbo ventilator (226 numbers) at various places of Factory Area in place of Electrical exhaust fans.

#### (iii) Details of investment made on Energy conservation schemes & savings achieved :

|                  |   |                      |
|------------------|---|----------------------|
| Total Investment | : | ₹ 250.16 Lakhs       |
| Monetary benefit | : | ₹ 444.80 Lakhs/annum |
| Steam saving     | : | 36467.10 MT/annum    |
| Power saving     | : | 24.25 Lkwh/annum     |

## Annexure to Directors' Report (Contd.)

### B. TECHNOLOGY ABSORPTION

**(i) The efforts made towards technology absorption :**

1. Commissioning of delta thickener prior to press – 1 of pre – oxygen delignification for uniform feed consistency and reduction in vat pressure.
2. Installation of pre-retention tube and heater before DHT tower to increase retention time and maintain uniform reaction temperature to consistently maintain pulp brightness.
3. In 11 TPD ClO<sub>2</sub> plant, internals of ClO<sub>2</sub> absorption tower has been changed which resulted in increased absorption of ClO<sub>2</sub> and production increase of ClO<sub>2</sub>.
4. Indigenous fly knives in chipper were replaced with imported fly knives which reduced frequency of knife grinding, resulting increase in chipping capacity.
5. Plant trial of modified starch for improvement of surface properties of writing and printing paper.
6. New CD filter of Capacity 4200 m<sup>3</sup>/day commissioned in June 2019 to increase the white liquor production so as to meet increased white liquor demand of 100% Indigenous Raw Material
7. Plant trial of micro-nutrient at Aeration of ETP to replace urea and DAP for cost reduction.
8. Plant trial of decolourisation of Paper Machine effluent during colour paper run in PM – 2.
9. Plant trial of turbidity reduction of paper machine effluent.
10. Laboratory trial for decolourisation of combined pulp mill effluent.
11. New products developed during the Year 2019 - 2020 are
  - Lower and Higher gsm - Wesco Walkup to widen the Cup Stock product basket.
  - Orange shade Wesco MF coloured board in PM -2.
  - High ash content Wesco Eco stiffner.
  - Wesco Stiffner Ivory Gold.
  - High ash Eco Liner -Wesco Firma

**(ii) The benefits derived like product improvement, cost reduction, product development or imports substitution**

Improved Productivity, better quality, cost reduction, conservation of valuable raw material & ecosystem and improved customer's satisfaction.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not any**

**(iv) The expenditure incurred on Research and development**

|   |   | (₹ in Lakhs) |         |
|---|---|--------------|---------|
|   |   | 2019 - 2020  | 2018-19 |
| a | Capital   | 20.98        | Nil     |
| b | Recurring   | 45.11        | 47.16   |
| c | Total   | 66.09        | 47.16   |
| d | Total R&D expenditure as a percentage of total turnover | 0.03         | 0.02    |

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Outgo were ₹ **2,971.73** Lakhs and ₹ **13,836.49** Lakhs respectively (₹ 2,073.89 Lakhs and ₹ 22,823.59 Lakhs previous year).



## Annexure to Directors' Report (Contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that-

- i) In the preparation of the accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies which have been applied consistently and made judgment and estimates that were 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 and of the profit or loss of the Company for the year under review.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The accounts for the financial year ended on 31st March, 2020 have been prepared on a 'going concern' basis.
- v) The accounts for the financial year ended on 31st March, 2020 has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As) prescribed under section 133 of the Companies Act, 2013 and under recognized accounting practices and policies to the extent applicable.
- vi) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vii) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

Place : Dandeli  
Date : June 26, 2020

**S. K. Bangur**  
*Chairman & Managing Director*



## Annexure to Directors' Report (Contd.)

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule

No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

West Coast Paper Mills Limited

Bangur Nagar, Dandeli – 581325

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by West Coast Paper Mills Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (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;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);



## Annexure to Directors' Report (Contd.)

- (vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Act, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:
- (a) The Factories Act, 1948 and Rules made thereunder;
  - (b) Labour laws and other incidental laws related to Labour and employees appointed by the Company;
  - (c) Acts and Rules prescribed under prevention and control of pollution;
  - (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
  - (e) Acts and Rules relating to boilers, electricity explosives, fire, etc,
  - (f) Goods and Service Tax;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific non compliances/observations / Audit Qualification, reservation or adverse remarks: NIL

**I further report that**

The Board of Directors of the Company is 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. Based on the verification of the records and minutes, the decisions at Board Meetings and Committee Meetings were carried out with unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such meetings of the Board of Directors or Committee of the Board, as the case may be. Independent Directors need to get trained.

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

**I further report that** during the period under review the Company has acquired 72.20% Paid up share capital of Andhra Paper Limited a public listed company and by virtue of this, West Coast Paper Mills Limited becomes the Holding Company of Andhra Paper Limited.

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

**NAMAN GURUMURTHI JOSHI**

**Practicing Company Secretary**

M No: F8389, C P No: 9579

Draft placed on 26/06/2020

UDIN: F008389B000433660

UDIN Generated on: 09/07/2020

This report is to be read with my letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.



## Annexure to Directors' Report (Contd.)

### 'ANNEXURE A'

To,  
The Members,  
**West Coast Paper Mills Limited**  
Bangur Nagar, Dandeli – 581325

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

1. Maintenance of secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the physical copies of financial records, Books of Account and documents of the Company due to COVID-19 situation. The report is based on verification of the soft copies of financial records, Books of Account and documents provided by the Company and even there is an delay in generation of UDIN due to the Covid – 19.
4. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company. For the accounting financial compliance and CSR spending's we have relied on the report of internal auditor and statutory auditor Report.
5. I have not verified the correctness and appropriateness of financial records and Books of Account of the listed subsidiary Company for the accounting financial compliance and CSR spending's we have relied on the Secretarial Audit report of the Secretarial Auditor.
6. I have not verified the correctness and appropriateness of financial records and Books of Account of the unlisted Wholly Owned Subsidiary Company for the accounting financial compliance and corporate laws compliance.
7. Wherever required, I have obtained the Management Representation about the compliances of laws, rules and regulations as per their representation report has been finalized.
8. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management, my examination was limited to verification of procedures on test basis.
9. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**NAMAN GURUMURTHI JOSHI**

**Practicing Company Secretary**

M No: F8389, C P No: 9579

Draft placed on 26/06/2020

UDIN: F008389B000433660

UDIN Generated on: 09/07/2020



# Management Discussion & Analysis

## A. INDUSTRY STRUCTURE & DEVELOPMENTS

### GLOBAL PAPER INDUSTRY OVERVIEW

The Global Paper & Paperboard Packaging Market is expected to grow at a CAGR of 3.6% over medium to long term and reach USD 264 billion driven by expansion of businesses globally by 2025.

World paper output is expected to increase to 450 million metric tonnes by the year 2021 from 410 million in 2017. With Global economies transitioning towards digital interface the paper industry is undergoing a structural change. However, the Paper has found new applications across categories, like packaging, paper bags, paper towels / tissues, etc. The paper industry is witnessing the end of dominance by traditional Western Markets and a new, more competitive business environment is taking shape giving rise to dynamic playing fields for the world's paper, tissue and packaging board industry.

The world's three largest paper producing countries - China, the United States and Japan, collectively account for approximately half of the world's total paper production. Last couple of years has been better for the paper industry as there has been few capacity withdrawals which helped to improve the utilization of the existing capacities.

The graphic paper market is expected to continue to face declining demand worldwide. But this decline should be balanced by the increase in demand for packaging – industrial as well as consumer and tissue products. All in all, demand for fiber-based products is set to increase globally with some segments growing faster than others. The one hazy spot in demand might be concerns over how fast it will grow in China. Given China's weight in the global paper and board market, even relatively modest slowdown can have significant impact.

### Impact on Paper Industry post COVID-19

Noble Corona virus outbreaks have developed across the globe and is causing widespread concerns and hardship for consumers and business alike. With number of COVID-19 rising, the Anxiety levels is also on the rise. The manufacturing sector has been facing quite a few challenges like lower demand and uncertain outlook, the paper manufacturers are a no exceptions to this.

### Potential negative demand impacts

- i) **Slowdown in Fast-Moving Consumer Goods** - Concerns over the virus will, likely, affect consumer spending patterns, which will cascade across the entire economy. From a pulp and paper perspective, such a trend will most directly impact packaging demand across sectors except for e-commerce.
- ii) **Reduced Pulp Export leading to Domestic Oversupply**- With reduced packaging demands, comes reduced demand for pulp to make those products. China is the key buyer of pulp, paper, wood, and chips. China accounted for one-third of the world's market pulp imports last decade. If China stops importing as much product, countries reliant on exporting goods to China will have to look to domestic markets to mitigate oversupply issues. This is likely to impact the US exporters of Pulp and Paper products as it has been one of the largest exporters to China over the last decade.

### Potential positive demand impacts

- i) **Towel and Tissue Consumption Could Increase** - Health officials worldwide have stressed the importance of hygiene and disinfecting as efforts to contain COVID-19 intensify. Arguably the simplest measure to avoid spreading the disease – washing your hands – could have the biggest impact for pulp and paper demand with the usage of disposable hand towels increasing multifold.
- ii) **Increased e-commerce** - The public need much more than disinfectant to make it through a potential pandemic, and much of what it needs will be bought online and delivered to homes. And while some governments have mandated people stay in their homes, many will voluntarily shelter themselves and rely on delivery services for food and goods. This creates a need for packaging, which could drive an increase in demand for packaging paper and corrugated materials.

### INDIAN PAPER INDUSTRY

India holds 15th rank among paper producing countries in the world, however, the country's share in global paper demand is gradually increasing with rising domestic demand while demand in the western nations is contracting.

The Indian paper industry has continued to witness steady growth and the domestic demand grew from 9.3 million tonnes in FY08 to 17.1 million tonnes in FY18 at a CAGR of 6.3%. Overall paper demand is expected to grow at a CAGR of 6-7% and is likely to reach approximately 22 million tonnes in 2021-22.

The per capita consumption of paper in India currently stands at about 13 kg which is relatively lower compared to global average which stands at 57 Kg per capita and 40 kg per capita for Asian peers. However, the per capita consumption is expected to touch about 17 Kg by 2024-25.

## Management Discussion & Analysis (Contd.)

The paper Industry is fragmented with over 750 paper mills, of which less than 100 mills have a capacity of 50,000 TPA or more. Most of the paper mills are in existence for a long time and hence the existing technologies fall in a wide spectrum ranging from oldest to the most modern. However, the focus of paper industry is now shifting towards more eco-friendly products and technology. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk etc. The specie wise share is 30-35% wood based, 45-50% recycled fibre based and 20-22% agro residue based raw material.

The Indian Paper Industry currently has a turnover (net of taxes) of approximately ₹ 70,000 Crores and contributes over ₹ 5,000 Crores per annum to the national exchequer. Even more importantly it provides employment opportunities to over 2 million people directly and indirectly, mostly in rural areas.

The Indian Paper industry is classified into four segments, Printing & Writing (P&W), Packaging Paper & Board, Specialty Papers & Others, and Newsprint. Printing & Writing (P&W) share has remained stable at around 30%, while Packaging Paper & Board share has increased from 46% in FY08 to 52% in FY19.

Packaging paper & board segment accounting for 52% of the total paper demand in India and is the largest segment in the industry. It grew at a CAGR of 7.8% from 4.3 mn tonnes during FY08 to 9.7 mn tonnes in FY19. Rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical and processed food industries etc. are the growth drivers of the segment.

The Printing and Writing (P&W) paper segment forms 29% of domestic paper market. Domestic demand for P&W paper was 5.4 mn tonnes in FY19. Rising literacy rate and universalization of education through legislative steps like Right to Education, governmental measures like Sarva Shiksha Abhiyan and mid-day meal schemes, increased spending on education are the main reasons for growth in the demand for Printing and Writing Paper.

The Newsprint segment comprises 13% of the Indian paper and paper products Industry and grew at a CAGR of 2.5% during FY08-19 to 2.5 mn tonnes, on the back of improving literacy and increasing circulation of vernacular dailies. Imports account for a substantial portion of the consumption and the prospect of newsprint segment primarily depends on its consumption by print media industry which is currently facing competition from digital segment.

Specialty paper & others is the smallest segment, accounting for around 0.45% of the industry. This segment especially tissue papers is the fastest growing segment, albeit the on a much smaller base.

The demand drivers include rising income levels, growing per capita expenditure, likely pick up from the education sector, requirement of better quality packaging of FMCG products marketed through organized retail and increasing preference for ready to eat foods led by rapid urbanization and ban on single-use plastic by Government of India. A culmination of all these factors is expected to drive the overall demand at a rate of 6%-7% for the next two-three years.

### Challenges for Indian Paper Industry post COVID-19

COVID-19 has severely disrupted the demand for paper and paper board across all segments since Q4 of 2019-20 and is expected to continue through H1 of 2020-21. For the year as a whole, the demand is expected to contract by 10-15% compared to last year.

- i) **Writing & Printing Paper** – Demand is expected to be low for next few months due to disruption in consumption of printed books, note books and commercial grade printing as most of the educational institutions, Govt. and commercial establishments are shut during Lockdown period. However, in long run, demand will revive due to Govt. spending on education under RTE and gradual revival of economy. Demand for Copier segment will be low in short term but expected to revive due to Govt. and corporate supplies and jobbers requirement. Coated Paper demand will be impacted due to lower spending on calendars, brochures, magazines etc. although demand for labels is expected to be good.
- ii) **Packaging grade** - Demand is expected to be positive for pharmacy, food and essential packaging but the demand for non essential segment will be impacted in short term. However, in the long run, overall demand growth will be better due to increase in e-commerce, pharmacy, FMCG and other consumer packaging. Demand for single use paper cup and disposables are expected to be high.

Demand for tissue paper is expected to register improvement in the wake of increased hygiene concerns. Demand for newsprint is expected to decline due to lower circulation owing to increased habit of digital newspaper reading, lower advertisement spending etc.

However, post Covid-19 pandemic, there will be growth opportunities for the Indian Print & Packaging Industry, disposable cups, bowls and cartons, overwrap, bags, corrugated boxes and branded packaging for online delivery and sealable paper products as substitute for single use plastics.



## Management Discussion & Analysis (Contd.)

### Raw material concerns

The availability of raw-material has always been a matter of concern for the Industry. Against the current demand of 11 million TPA for pulpable wood by paper Industry, domestic availability is 9 million TPA only. The projected demand is expected to increase significantly, and hence the Industry has been requesting the Government to allot degraded revenue and forest lands. This will not only fulfil the requirement of raw-material, but also would result in employment generation for rural unskilled population. However, the government has not considered the request. Nevertheless, the Industry in general has taken initiatives by taking up Farm / Social Forestry programme whereby plantation is taken in a big way on the unproductive revenue land and thus generating not only income to the farmers but also providing employment to the rural unskilled population.

Major Paper producing countries of Latin America, Europe and Asia, including China, Indonesia, Malaysia, etc., have adopted a policy of granting forest concessions to large Paper Mills to plant, protect and harvest pulpwood in a cost effective manner. In absence of similar enabling policies, Paper Mills in India have to necessarily depend upon small and scattered plantations developed through Industry's social forestry initiative or Government controlled forests. In the process, the cost of collection and transportation increase significantly. As a result, cost of raw-materials in India has been continuously going up and has become most uncompetitive in comparison to the major paper producing countries in the world.

Given the above status of availability, the Industry is facing severe shortage of wood apart from continuously increasing cost of procurement particularly in the context of unplanned expansion by the Industry without raw-material back-up and focusing only on Andhra Pradesh for sourcing the requirement.

### CABLE DIVISION

Indian optical fiber cables market is growing by leaps and bounds due to expansion of telecom infrastructure throughout the country and is expected to continue its growth momentum for another next ten years with India launching 5G by 2020-21.

Annual global IP traffic is expected to increase three-fold from 1.5 ZB in 2017 to reach 4.8ZB (Zettabyte) in 2022, thus growing at a CAGR of 26%. Also, monthly IP traffic at 16GB per capita in 2017 is expected to reach 100 GB per capita in 2022.

Currently, the towers in India are connected with fiber to roughly 20% in comparison to 90% globally. This is expected to reach 60% in next 3 years.

## B. OPPORTUNITIES AND THREATS

### PAPER DIVISION

With the growth in GDP, the low per capita consumption of Paper & Paperboard in the Country is bound to improve, resulting in increased consumption of paper. As against the present per capita consumption of 13 kg, every one kg incremental per capita consumption results in additional demand of more than one million ton a year. This indicates there is a lot of scope for growth of paper demand in India.

Increasing population and literacy rate, improvement in manufacturing sector and changing lifestyle of individuals are expected to further boost the demand of paper in India. Additionally, increasing environmental concerns and awareness resulting in ban on single use plastic material by many states and the thrust of the Union Govt. to ban it in a phased manner, has opened up new market for paper industry.

However, there is increasing threat from imported paper as the Import duty on Paper & Paperboard for ASEAN countries has been reduced to Zero since 2014, which resulted in cheaper imports of 2.90 million tonnes of paper in 2018-19 from ASEAN Countries, with 8 Year CAGR of 33.51%. Overall Imports of paper was 14.78 million tonnes in the year 2018-19 with 8 year CAGR of 13.54%. During the 9 months period between April-December 2019, the overall paper and paperboard (excluding newsprint) imports has increased by 16% to approximately 1.3 million metric tonnes from approximately 1.1 million metric tonnes for the corresponding period of the previous year.

Imposition of definite Anti Dumping duty in benchmark form by Govt. of India from 04.12.2018 for a period of 3 years on import of copier paper from Indonesia, Thailand and Singapore has not yielded desired result and still there is large price gap between imported and Indian copier paper.

### CABLE DIVISION

Bharat Net completed 2.5 lakhs Gram Panchayats connected in phase I and another 2.5 lakhs are getting connected in phase II with cable requirement of 3 lakhs km (7.5 million km fibre). In phase III, there will be further cable requirement for ring structure of about 12 lakh km (about 50 million km fibre). Thus, there will be drastic increase of OFC layout in next 5 years. BBNL phase II tender are out under Turnkey - EPC contract basis which has again increased our scope for getting into EPC business to increase turnover and profitability.

## Management Discussion & Analysis (Contd.)

The threat is current downtrend in Optical fiber prices due to US China trade barriers. This has resulted in slow down of 5G deployment in China. This could be looked as shift of opportunity by 1-2 years.

The major threat is likely imposition of safeguard duty on imported fibre to the tune of 25% by Ministry of Finance. Ministry of Commerce has already sent their recommendations and the matter is under active consideration.

### C. SEGMENT-WISE PERFORMANCE

The Company operates in two business segments – Paper / Paperboard (including Duplex Board) at Dandeli and Telecommunication Cables at Mysore, besides having Wind Mills of 1.75 MW capacity in Tamilnadu for power generation. Detailed segment-wise performance is mentioned in the Directors' Report.

### D. OUTLOOK

#### PAPER DIVISION

The Paper Industry is cyclical in nature and its performance depends on the global pulp and paper demand supply situation. The domestic paper sector is likely to see marginal improvement in demand from education and corporate sectors, aided by expected higher GDP growth of the Country over a medium to long term period. However the impact of COVID-19 will be felt in the overall working of the Company for the year 2020-21.

Import pressures are likely to be continued although US \$ has appreciated against INR by more than 5% and could result in pricing pressures on paper products particularly maplitho segment. However, the Company has a well-diversified product base, which partially insulates it from the imports and cyclicity. The Company has developed new product variants like Walk up, Straw Base Straw Fold, Aqua base, Wax cote, Wesco Firma to improvise its product mix and capture new markets.

Further, recent launch of Plastic free coated cup stock paper will open new avenues for the Company with tremendous opportunities in the wake of single use plastic ban drive of the Central Government as well as ban by various State Governments. This segment having double digit growth prospect augurs well for increasing the market share in this segment.

The Company has been investing heavily into modernizing equipment, improving quality, and developing personnel to maintain its position as a global leader. The Company has fully integrated paper and pulp facility, right from processing pulp from the woods to using captive power source. This helps the Company manage the cost effectively. The size and scale of the operations gives us an edge in sourcing Raw Materials as well as in transporting finished goods at best possible rates. The scale benefits and improved productivity and efficiency that we have brought in the Company over the last few years has helped us to improve profitability. Also, this year your company significantly brought down its raw material cost by reducing the imports of costlier wooden chips from 43 percent to 17 percent.

With optimum capacity utilization, good demand outlook and progressive shift into environmental friendly and value-added products; the Company is expected to sustain its growth prospects.

#### CABLE DIVISION

We expect decent growth of 20-25% in our current business for Manufacture and supply of OFC. Several tenders on the cable supply got deferred during last financial year and we are hopeful of these tenders floating in the current financial year. In view of prolonged Lockdowns due to Covid-19, few of the tenders may get deferred into the next financial year.

We are expecting the approvals from Central govt regarding subsidy of our Draw Tower project for backward integration of our Cable division to manufacture optical fibre on its own, which is the prime raw material for Cable Division. Project investment will start once we get the approval letter. Thereafter, the new facility is expected to come into operation.

We have successfully completed pilot EPC project for laying cables and are fully geared up for taking up large projects, comprising of turnkey supplies and installations. We expect to execute 2-3 large projects in next 2 years.

### E. RISKS AND CONCERNS

The Company has derived 94.18% of its revenue from Paper/ Paperboard and Cup stock Board business and 5.38% from Cable business in 2019-20.

The availability of conventional raw-material is a matter of concern and thereby causes pressure on raw material procurement prices. Threat from excessive inflow of imported paper at cheaper price will continued to be there in near future.

However, the company is fully geared to take advantage of single use plastic ban drive of the Govt. authorities and is in the process of developing some substitute paper products to take new market share.



## Management Discussion & Analysis (Contd.)

Regarding Charter on Corporate Responsibility for Environmental Protection (CREP) guidelines which was launched in 2003, the Company has already taken the required actions to implement the same and all the parameters are well within the guidelines.

The Company has state-of-art Effluent Treatment Plant and has gone for 100% Elemental Chlorine Free bleaching from 14.02.2010. It is also meeting all the norms as prescribed under Environment Protection Act, 1986 and other environmental laws as well as CREP requirement consistently.

The Company is taking various actions to reduce water consumption in the Mills. Further all the actions are being taken to reduce the specific energy consumption to meet the norms prescribed under PAT-Cycle -II.

### F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system for business processes with regard to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations etc., clearly defined roles and responsibilities for all managerial positions have also been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and efficacy of internal control systems and suggests improvement for strengthening these.

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended March 31,2020, the Company has sound IFC commensurate with the nature and size of its business operations and is operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This has been dealt with in the Directors' Report.

### H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

During the year, the Company's industrial relations are cordial. The Company has entered into tripartite long term wage revision settlement with Joint Negotiation Committee (JNC) of Unions on 04.05.2016 for the period from 01.01.2015 to 31.12.2018. Process of tripartite long term wage revision settlement with Joint Negotiation Committee (JNC) of Unions is going on from 01.01.2019.

The Company has drawn specific programme to improve the skills of the workers and staff. Further, it is providing necessary training to the manpower with both locally and abroad suppliers. There is continuous interaction between the Management, Unions and Labour for improving the knowledge and training of the workers.

Total employees of the Company as on 31.03.2020 are 2378.

### I. DETAILS OF SIGNIFICANT CHANGES (i.e. change of 25% or more as compared to the immediately previous financial year)

There is no significant change vis-a-vis the previous financial year.

### CAUTIONARY STATEMENT

*Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations 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 material 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 revise any forward looking statements on the basis of any subsequent developments, information or events.*

# Report on Corporate Governance

A report on Corporate Governance for the financial year 2019-20 is set out in the compliance with Corporate Governance requirements as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

It is the consistent conviction of the Company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. In pursuance of this, the Company has been passionately pursuing good corporate governance practices based on professional excellence, business ethics, and transparency which operate within the accepted norms of propriety, equity, fair play and a sense of justice. While the Company's compliance of legislative and regulatory requirements is total and absolute, the Company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

The Company's highly professional and responsive Board of Directors is composed of eminent thought-leaders and seasoned stalwarts drawn from diverse fields ensuring extensive deliberation and expertise which have bearing on the process of decision-making. Accountability and transparency are the key drivers behind the Board decision-making which inspires stakeholder confidence. Openness and transparency of the Company's corporate governance are reflected in the exhaustive disclosures made in the Company's annual report with a view to sharing information with stakeholders, investors, analysts, and competitors.

## 2) BOARD OF DIRECTORS

### i) Composition of the Board:

The Company's policy is to have an appropriate mix of promoters, executives and independent directors to maintain the independence of the Board. The Board comprises-

- Four Promoter Directors, including Chairman & Managing Director and Vice Chairman.
- Six Independent, Non-Executive Directors and
- One Non-Promoter, Executive Director.

### ii) Category, Attendance & Other Directorship

The number of other Directorships, Memberships of other Board Committees of which he/she is a member/ chairperson as on date and attendance in Board Meetings are as follows:

| Name of the Director                             | Category                               | Board Meetings Attended | Number of other Director-Ships* | No. of Membership of other Board Committees (*)(**) | No. of Board Committees for which Chairperson (*) (**) |
|--|--|-------------------------|---------------------------------|---|--|
| Shri S.K. Bangur                                 | Promoter, Chairman & Managing Director | 7                       | 7                               | 2   | 1  |
| Smt. Shashi Bangur                               | Promoter, Non-Executive Director       | 7                       | 5                               | -   | -  |
| Shri Saurabh Bangur                              | Promoter, Vice - Chairman              | 3                       | 2                               | -   | -  |
| Shri Virendraa Bangur (w.e.f. 12.11.2019)        | Promoter, Non-Executive Director       | 2                       | 10                              | 2   | -  |
| Shri Premal N. Kapadia                           | Independent Non-Executive Director     | 5                       | 2                               | 1   | 1  |
| Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM (Retd.) | Independent Non-Executive Director     | 5                       | -                               | -   | -  |



## Report on Corporate Governance (Contd.)

| Name of the Director     | Category                           | Board Meetings Attended | Number of other Director-Ships* | No. of Membership of other Board Committees (*)(**) | No. of Board Committees for which Chairperson (*)(**) |
|--------------------------|------------------------------------|-------------------------|---------------------------------|---|---|
| Shri Krishna Kumar Karwa | Independent Non-Executive Director | 5                       | 2                               | 2   | -   |
| Shri M. P. Taparia       | Independent Non-Executive Director | 4                       | 4                               | 1   | 1   |
| Shri Amitav Kothari      | Independent Non-Executive Director | 4                       | 3                               | 2   | 2   |
| Shri Sudarshan Somani    | Independent Non-Executive Director | 7                       | 2                               | 1   | 2   |
| Shri Rajendra Jain       | Executive Director                 | 6                       | 1                               | 1   | -   |

\*excluding private, foreign and companies under Section 8 of the Companies Act, 2013.

\*\*This relates to Audit and Stakeholders' Relationship Committees only.

Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM (Retd.) and Shri Rajendra Jain attended the last Annual General Meeting.

### iii) a) Name of the other listed entities where person is a Director and category of Directorship as follows

| Name of the Director                             | Name of Listed Entities                 | Category of Directorship                 |
|--|---|--|
| Shri S. K. Bangur                                | 1) Jayshree Chemicals Ltd.              | Promoter, Non-Executive Chairperson      |
|  | 2) Andhra Paper Limited                 | Chairman and Managing Director           |
| Smt. Shashi Bangur                               | Nil                                     | Nil                                      |
| Shri Saurabh Bangur                              | Nil                                     | Nil                                      |
| Shri Virendraa Bangur                            | 1) Jayshree Chemicals Ltd.              | Promoter, Executive Director             |
|  | 2) Taparia Tools Ltd.                   | Non-Executive - Non Independent Director |
|  | 3) Andhra Paper Limited                 | Non-Executive - Non Independent Director |
| Shri Premal N. Kapadia                           | 1) Alkyl Amines Chemicals Ltd.          | Non-Executive - Non Independent Director |
|  | 2) Kaira Can Co. Ltd.                   | Promoter, Non-Executive Director         |
| Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM (Retd.) | Nil                                     | Nil                                      |
| Shri Krishna Kumar Karwa                         | 1) Emkay Global Financial Services Ltd. | Managing Director                        |
| Shri M. P. Taparia                               | 1) The Supreme Industries Ltd.          | Managing Director                        |
|  | 2) Supreme Petrochem Ltd.               | Non-Executive-Chairperson                |
|  | 3) Kabra Extrusion Technik Ltd.         | Independent Non-Executive Director,      |
| Shri Amitav Kothari                              | 1) Kanoria Chemicals Ltd.               | Independent Non-Executive Director       |
|  | 2) Kiran Vyapar Ltd.                    | Independent Non-Executive Director       |
| Shri Sudarshan Somani                            | 1) Starteck Finance Ltd.                | Independent Non-Executive Director       |
|  | 2) Andhra Paper Limited                 | Independent Non-Executive Director       |
| Shri Rajendra Jain                               | 1) Andhra Paper Limited                 | Non-Executive - Non Independent Director |

## Report on Corporate Governance (Contd.)

**b) Following skills/expertise/competencies identified by the Board in the context of Company's business/ sector and those actually available with the Board**

West Coast Paper Mills Limited is a paper manufacturing Company, in view of the sector and context of the business, the Board has identified following skills/ expertise /competencies:

- i) Professional Qualification such as: CA/CS/CWA/BE/MBA/LL.B/LL.M/B.Tech/M.Tech. etc.
- ii) Educational Qualifications such as BA/B.Sc/B.Com/MA/M.Sc./M.Com etc. having the knowledge and experience in the particular field.
- iii) Industrialist having vast knowledge and good experience of management, administration and having knowledge of pulp and paper.
- iv) Any other professional or educational qualification having well experience in Foreign Exchange/FOREX dealings/Export/Import.

**c) Names of directors who have such skills / expertise / competence:**

| Name of the Director                             | Skills / Expertise / Competence   |
|--|---|
| Shri S. K. Bangur                                | Industrialist having vast knowledge and good experience of management, administration and having knowledge of pulp and paper.   |
| Smt. Shashi Bangur                               |   |
| Shri Saurabh Bangur                              |   |
| Shri Virendraa Bangur                            | Industrialist and areas of special interest in Paper, Newsprints, Chemicals, IT, Electronics, Optic fibre, Telephone and power cable and Plantations.   |
| Shri Premal N. Kapadia                           | Chemical Engineer and an Industrialist.   |
| Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM (Retd.) | B. Sc (Hons) and B. Tech. (Hons) from IIT Kharagpur, M. Sc (Defence Studies), and Master of Management Studies.   |
| Shri Krishna Kumar Karwa                         | A rank holder Chartered Accountant and having vast experience in all aspects of Equity Capital Markets.   |
| Shri M. P. Taparia                               | Industrialist   |
| Shri Amitav Kothari                              | M.Com, LLB., FICA, FCA, and Life Member of the Indian Council of Arbitration, New Delhi, Fellow of British Institute of Management (U.K) and on the Panel of Arbitration of Indian Chamber Council of Arbitration, Kolkata, also on the Panel of Reviewers maintained by the Peer Review Board of ICAI. |
| Shri Sudarshan Somani                            | Well experience in Foreign Exchange/FOREX dealings/Export/ Import.  |
| Shri Rajendra Jain                               | B.Com, FCA and ACS. He has hands on experience in general management as P&L Leader.   |

**d) Declaration of Independent Directors**

Independent Directors submitted declaration regarding they meets criteria of Independence as required under Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 147(9) of the Companies Act, 2013, in the meeting held on 26.06.2020, Board of Directors after due assessment of the veracity of the same confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in above said Regulations and are independent of the Management.

**e) No Independent Director has resigned before the expiry of his tenure.**

**iv) Board Meetings held:**

- a) During the year under review, Seven Board Meetings were held on April 18, May 29, August 13, October 23, November 12, 2019 and February 12, March 09, 2020.



## Report on Corporate Governance (Contd.)

- b) None of the directors other than Smt. Shashi Bangur being spouse, Shri Virendraa Bangur and Shri Saurabh Bangur being sons of Shri S.K. Bangur are relatives' inter-se.
- c) Smt. Shashi Bangur, Shri Virendraa Bangur and Shri Saurabh Bangur Shri Sudarshan Somani holds 2309415, 1122956, 1651228, and 197300 equity shares respectively of the Company.

Details of Familiarization programs imparted to independent directors are available at the website of the Company: [www.westcoastpaper.com](http://www.westcoastpaper.com).

**v) Board Membership Criteria:**

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skill and experience require for the Board as a whole and for individual members. Board members are expected to possess the required qualification, experience for the position.

**vi) Separate Independent Directors meeting:**

The Independent Directors meet at least once in a year without the presence of Executive Director or CMD or Management representatives and inter-alia discussed:

- a) The performance of Non-Independent Directors and the Board as a whole.
- b) The performance of Chairman of the Company.
- c) Assessment of the quality, quantity and timeliness flow of information between Management and the Board.

In addition to this meeting, interactions outside the Board Meeting also take place between the Chairman and the Independent Directors.

This year meeting was held on 12<sup>th</sup> February, 2020.

**vii) Board Evaluation:**

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees. A structured questionnaire was circulated, covering various aspects of the Board's and Committee's functioning, cultures, performance and governance.

### 3) COMMITTEES OF THE BOARD

**A) AUDIT COMMITTEE**

**i) Brief description of terms of reference**

Terms of Reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, approval of remuneration and terms of appointment and payment to statutory auditors for any other services, auditor's independence and performance, audit process, financial statements and auditor's report thereon, review of adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings, review of transactions with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets, approval of appointment of Chief Financial Officer, evaluation of internal financial controls and risk management systems and review the functioning of the Whistle Blower Mechanism.

## Report on Corporate Governance (Contd.)

### ii) Composition, name of members and Chairperson

The Audit Committee comprises five Directors, of whom four are Independent Non-Executive Directors and one is Executive Director, all of them possessing knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an Independent Non-Executive Director. The Company Secretary acts as the Secretary to the Committee. The Composition of the Audit Committee is as follows:

| Name of the Director                           | Category | Chairman/Member |
|--|----------|-----------------|
| Shri P. N. Kapadia                             | I/NED    | Chairman        |
| Lt.Gen. Utpal Bhattacharyya PVSM, AVSM (Retd.) | I/NED    | Member          |
| Shri Amitav Kothari                            | I/NED    | Member          |
| Shri Sudarshan Somani                          | I/NED    | Member          |
| Shri Rajendra Jain                             | ED       | Member          |

### iii) Meetings and Attendance during the year

During the year ended March 31, 2020, four meetings of the Audit Committee were held on May 29, August 13, November 12, 2019 and February 12, 2020. The attendance of the Chairman and the Members of Audit Committee at the meetings held during the year under review is as under:-

| Name of the Director                            | No. of Meetings attended |
|---|--------------------------|
| Shri P. N. Kapadia                              | 4                        |
| Lt. Gen. Utpal Bhattacharyya PVSM, AVSM (Retd.) | 3                        |
| Shri Amitav Kothari                             | 2                        |
| Shri Sudarshan Somani                           | 4                        |
| Shri Rajendra Jain                              | 4                        |

## B) NOMINATION AND REMUNERATION COMMITTEE

### i) Brief description of terms of reference

To periodically approve the remuneration package of whole-time Directors and ensure appropriate disclosure of the same, determining qualifications, positive attributes and independence of a Director, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board, diversity and recommend appointment of Directors, appointment and removal in senior management.

### ii) Composition, name of Members and Chairperson

The Nomination and Remuneration Committee comprises three Non-Executive Independent Directors and the Company Secretary acts as Ex-officio Secretary of the Committee. The Name of the Members & Chairperson of the Remuneration Committee is as under:-

| Name of the Director                           | Category | Chairman/Member |
|--|----------|-----------------|
| Shri M. P. Taparia                             | I/NED    | Chairman        |
| Shri P. N. Kapadia                             | I/NED    | Member          |
| Lt.Gen. Utpal Bhattacharyya PVSM, AVSM (Retd.) | I/NED    | Member          |

### iii) Meetings and attendance during the year

During the year ended March 31, 2020, two meetings of the Nomination and Remuneration Committee held on May 29, 2019 and November 12, 2019. The attendance of the Chairman and the members of the Nomination and Remuneration Committee at the meetings held during the year under review are as under:-

| Name of the Director                           | No. of Meetings attended |
|--|--------------------------|
| Shri M. P. Taparia                             | 2                        |
| Shri P. N. Kapadia                             | 2                        |
| Lt.Gen. Utpal Bhattacharyya PVSM, AVSM (Retd.) | 1                        |



## Report on Corporate Governance (Contd.)

### C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### i) Brief description of terms of reference

The Stakeholders Relationship Committee deals with approval of share transfer/transmission, issue of duplicate share certificates, split and consolidation requests, dematerialization/remat of shares and other matters relating to transfer and registration of shares.

#### ii) Composition, name of Members and Chairperson

The Composition of Stakeholders Relationship Committee is as under:

| Name of the Director | Category | Chairperson/Member |
|----------------------|----------|--------------------|
| Smt. Shashi Bangur   | NED      | Chairperson        |
| Shri Saurabh Bangur  | NED      | Member             |
| Shri Amitav Kothari  | I/NED    | Member             |
| Shri Rajendra Jain   | ED       | Member             |

Shri Brajmohan Prasad, Company Secretary acts as the Compliance Officer.

#### iii) Meetings and Attendance during the year

During the year, three meetings were held on April 02, August 13, 2019 and February 12, 2020. Details of attendance at the meetings are as follows:

| Name of the Director | No. of Meetings attended |
|----------------------|--------------------------|
| Smt. Shashi Bangur   | 3                        |
| Shri Saurabh Bangur  | 2                        |
| Shri Amitav Kothari  | 1                        |
| Shri Rajendra Jain   | 2                        |

#### iv) Complaints Status

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

During the year under review, the Company has received 10 complaints from shareholders/investors, which inter-alia included transmission of Shares, non-receipt of Annual Report and Dividend, the complaints were resolved.

No complaint was pending as on March 31, 2020.

### D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### i) Brief description of terms of reference

The Corporate Social Responsibility Committee deals with formulation and recommend to the Board and monitor, a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on the activities under the same.

## Report on Corporate Governance (Contd.)

### ii) Composition, name of Members and Chairperson

The Composition of Corporate Social Responsibility Committee is as under:

| Name of the Director | Category | Chairman/Member |
|----------------------|----------|-----------------|
| Shri S. K. Bangur    | CMD      | Chairman        |
| Shri Saurabh Bangur  | NED      | Member          |
| Shri M. P. Taparia   | I/NED    | Member          |

### iii) Meetings and Attendance during the year

During the year, two meetings were held on May 29 and August 13, 2019. Details of attendance at the meetings are as follows:

| Name of the Director | No. of Meetings attended |
|----------------------|--------------------------|
| Shri S.K. Bangur     | 2                        |
| Shri Saurabh Bangur  | 1                        |
| Shri M. P. Taparia   | 1                        |

## E) FINANCE AND CORPORATE AFFAIRS COMMITTEE

### i) Brief description of terms of reference

Finance and Corporate Affairs Committee deals with borrowing money, inter-corporate Loans/Deposit, parking/investing surplus funds and open/ close Bank Accounts, with enhanced powers like review Financial Planning, Strategic Planning, Monitor Adequate Funds, Investment of Surplus Funds in Mutual Funds, Derivatives etc.

### ii) Composition, name of Members and Chairperson

The Composition of Finance and Corporate Affairs Committee is as under:

| Name of the Director | Category | Chairman/Member |
|----------------------|----------|-----------------|
| Shri Saurabh Bangur  | NED      | Chairman        |
| Shri S. K. Bangur    | CMD      | Member          |
| Shri Amitav Kothari  | I/NED    | Member          |
| Shri Rajendra Jain   | ED       | Member          |

### iii) Meetings and Attendance during the year

During the year, three meetings were held on April 18, September 09 and October 18, 2019. Details of attendance at the meetings are as follows:

| Name of the Director | No. of Meetings attended |
|----------------------|--------------------------|
| Shri Saurabh Bangur  | 3                        |
| Shri S.K. Bangur     | 3                        |
| Shri Amitav Kothari  | 2                        |
| Shri Rajendra Jain   | 2                        |

## 4) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance evaluation criteria for independent directors are covered in Directors' Report.



## Report on Corporate Governance (Contd.)

### 5) REMUNERATION OF DIRECTORS

i) There is no pecuniary relationship or transactions between Non-Executive Directors and the Company except payment of sitting fees for attending Board and Committee Meetings as mentioned below.

#### ii) Remuneration Policy

Except Chairman & Managing Director and Executive Director, the remaining Directors do not receive any remuneration, other than sitting fees for attending the meetings of the Board of Directors @ ₹ 25,000/- (w.e.f., 11.08.2018) per meeting and all Committee's Meeting including Independent Directors Meeting @ ₹ 10,000/- per meeting in terms of the resolution passed by the Board of Directors in its meeting held on 10<sup>th</sup> August, 2018.

#### iii) Details of remuneration

The details of Remuneration package, sitting fees paid etc., to Directors during the year ended March 31, 2020, for information of members, are furnished here below:

##### (a) Remuneration to Non-executive Directors :

| Sl. No. | Name of the Director                             | Sitting fees paid (₹ in Lakhs) | Remarks  |
|---------|--|--------------------------------|--|
| 1.      | Smt. Shashi Bangur                               | 2.05                           | Except sitting fees for meetings of Board or its Committees, to Independent Directors and Non-Executive Directors, are not paid any salary, benefits, bonuses, stock options, pension etc.<br>There is no contract, Notice period or severance fees applicable.<br>Stock Option details - Not applicable as the same is not given. |
| 2.      | Shri Saurabh Bangur                              | 1.35                           |  |
| 3.      | Shri Virendraa Bangur                            | 0.50                           |  |
| 4.      | Shri P. N. Kapadia                               | 1.95                           |  |
| 5.      | Lt. Gen. Utpal Bhattacharyya, PVSM, AVSM (Retd.) | 1.75                           |  |
| 6.      | Shri Krishna Kumar Karwa                         | 1.35                           |  |
| 7.      | Shri M. P. Taparia                               | 1.40                           |  |
| 8.      | Shri Amitav Kothari                              | 1.50                           |  |
| 9.      | Shri Sudarshan Somani                            | 2.25                           |  |
|         | <b>TOTAL</b>                                     | <b>14.10</b>                   |  |

Note: Shri S. K. Bangur is related to Smt. Shashi Bangur (wife), Shri Saurabh Bangur (son) and Shri Virendraa Bangur (son).

##### (b) Remuneration to Chairman & Managing Director/Executive Director :

(₹ in Lakhs)

| Sl. No. | Particulars   | Shri S. K. Bangur<br>Chairman & Managing<br>Director | Shri Rajendra Jain<br>Executive Director |
|---------|---|--|--|
| (i)     | <b>Remuneration :</b>   |  |  |
|         | - Salary (including bonus)                                    | 120.00   | 155.57                                   |
|         | - Contribution to Provident, Gratuity and Superannuation Fund | 38.17  | 19.04                                    |
|         | - Benefits-Allowances/Perks                                   | -  | 11.84                                    |
|         | - Commission  | 1309.26  | -  |
|         | <b>TOTAL</b>  | <b>1467.43</b>                                       | <b>186.45</b>                            |

## Report on Corporate Governance (Contd.)

| Sl. No. | Particulars   | Shri S. K. Bangur<br>Chairman & Managing<br>Director  | Shri Rajendra Jain<br>Executive Director   |
|---------|---|---|--|
| (ii)    | <b>Details of fixed component and performance linked incentives along with the performance criteria:</b><br>(a) Fixed Component :<br>- Salary – per month<br>- Contribution to Provident Fund & Superannuation Fund<br>- Perks and other allowances<br>(b) Performance Linked Incentive :<br>Commission (Based on Net Profit for the year within the individual/overall ceiling for managerial remuneration from time to time)<br>(c) Minimum Remuneration :<br>In case of inadequacy of profit in any year as calculated under section 197/198 of the Companies Act, 2013. | (₹ Per month)<br>10,00,000<br>As per Rules<br>As per Rules<br>Up to 5% of net profit by way of Salary, Perks and Commission, all taken together.<br>Within the ceiling of Schedule V, as amended from time to time. | (₹ Per month)<br>8,88,655<br>As per Rules<br>As per Rules<br>--<br>The remuneration paid to Shri Rajendra Jain, who is functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of the Companies Act, 2013. |
| (iii)   | <b>Service contracts, notice period, severance fees:</b><br>(a) Service Contract<br>(b) Notice period<br>(c) Severance fees   | The re-appointment is for a further period of five years i.e., till April 30, 2021.<br>Not specified<br>Not specified   | The re-appointment is for a period of three years i.e., till 30.07.2021.<br>Three months from either side<br>Not specified   |
| (iv)    | <b>Stock Option details, if any</b>   | No Stock option issued, hence not applicable.   | No Stock option issued, hence not applicable.  |

Note: Shri S. K. Bangur is related to Smt. Shashi Bangur (wife), Shri Saurabh Bangur (son) and Shri Virendraa Bangur (son).

### 6) GENERAL BODY MEETINGS

The details of General Body Meetings held in the last three years are as under:

#### (i) Annual General Meetings

| AGM              | Day       | Date       | Time     | Location              |
|------------------|-----------|------------|----------|-----------------------|
| 62 <sup>nd</sup> | Thursday  | 31.08.2017 | 4:00 P.M | Bangur Nagar, Dandeli |
| 63 <sup>rd</sup> | Wednesday | 22.08.2018 | 4:00 P.M | Bangur Nagar, Dandeli |
| 64 <sup>th</sup> | Thursday  | 08.08.2019 | 4:00 P.M | Bangur Nagar, Dandeli |



## Report on Corporate Governance (Contd.)

### (ii) Special Resolutions passed in the previous three Annual General Meetings:

- (1) At the 64<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2019, following Special Resolutions were passed :
    - i) Re-Appointment of Shri Amitav Kothari (DIN: 01097705) as an Independent Director of the Company.
    - ii) Re-Appointment of Shri P. N. Kapadia (DIN: 00042090) as an Independent Director of the Company.
  - (2) At the 63<sup>rd</sup> Annual General Meeting held on 22<sup>nd</sup> August, 2018, following Special Resolutions were passed :
    - i) Re-Appointment of Shri M. P. Taparia (DIN:00112461) as an Independent Director of the Company.
    - ii) Re-Appointment of Lt.Gen. Utpal Bhattacharyya PVSM, AVSM (Retd.) (DIN: 02665807) as an Independent Director of the Company.
    - iii) Re-Appointment of Shri Krishna Kumar Karwa (DIN: 00181055) as an Independent Director of the Company.
    - iv) Re-Appointment of Shri Rajendra Jain (DIN: 07250797) as Executive Director of the Company.
  - 3) At the 62<sup>nd</sup> Annual General Meeting held on 31<sup>st</sup> August, 2017, there was no any Special Resolution.
- (iii) Special Resolution passed last year through postal ballot (under Section 110) and details of voting pattern: Not Any
- (iv) Special Resolution proposed to be passed through Postal Ballot during this year-No

### 7) MEANS OF COMMUNICATION

- i) The Board of Directors of the Company approves the quarterly and half-yearly unaudited financial results in the proforma prescribed pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time within forty five days of the close of the respective periods **(except audited results for the year/last quarter within sixty days of the end of the financial year. However for the financial year ended on 31.03.2020, Securities and Exchange Board of India and Ministry of Corporate Affairs have extended time limit up to 31<sup>st</sup> July, 2020 due to COVID-19).**
- ii) The approved financial results are submitted online immediately after the Board Meeting to the Stock Exchanges where the Company's shares are listed and are published in Business Standard (English) and Karavali Munjavu (Kannada) news papers, within forty-eight hours of approval thereof by the Board of Directors.
- iii) The Company's financial results, official news releases and presentations are displayed on the Company's website - [www.westcoastpaper.com](http://www.westcoastpaper.com).

### 8) GENERAL SHAREHOLDER INFORMATION

#### A) 65<sup>th</sup>Annual General Meeting:

|      |  |
|------|--|
| Date | September 28, 2020   |
| Time | 11.30 A.M.   |
| Mode | Through Video Conference (VC)/ Other Audio-Visual Means (OAVM) |



## Report on Corporate Governance (Contd.)

### B) Tentative Financial Calendar 2020-21

#### Adoption of Quarterly Results

|                              |  |
|------------------------------|--|
| <b>of the quarter ending</b> | <b>1<sup>st</sup>/2<sup>nd</sup> week of -</b>     |
| June 30, 2020                | August 2020  |
| September 30, 2020           | November 2020                                      |
| December 31, 2020            | February 2021                                      |
| March 31, 2021 (year ending) | 3 <sup>rd</sup> /4 <sup>th</sup> week of May, 2021 |

- C) Company has paid Interim Dividend for the Financial Year 2019-2020 at ₹ 5.00 per Share on 26.03.2020. Same is proposed to be considered as final dividend, in the Notice for 65<sup>th</sup> AGM of the Company.

### D) Listing of Equity Shares on Stock Exchanges

The Company's equity shares are listed on the following Stock Exchanges, having nationwide trading terminals

- (a) BSE Limited  
Corporate Services  
Floor 25, P.J.Towers  
Dalal Street  
**Mumbai - 400 001**
- (b) National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex, Bandra(E)  
**Mumbai - 400 051**

### E) Listing Fees

Listing fee for the year 2019-20 and 2020-21 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

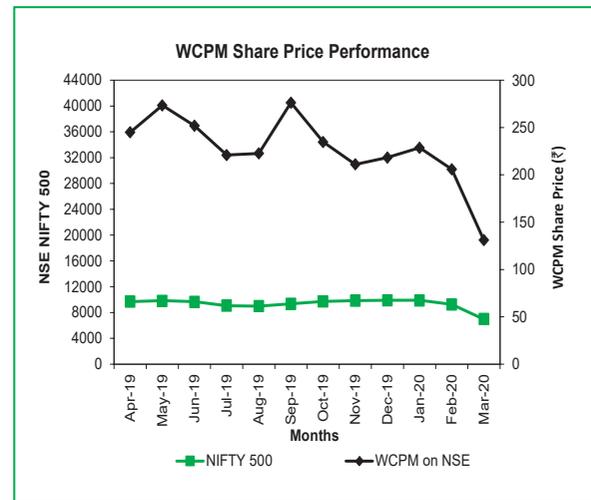
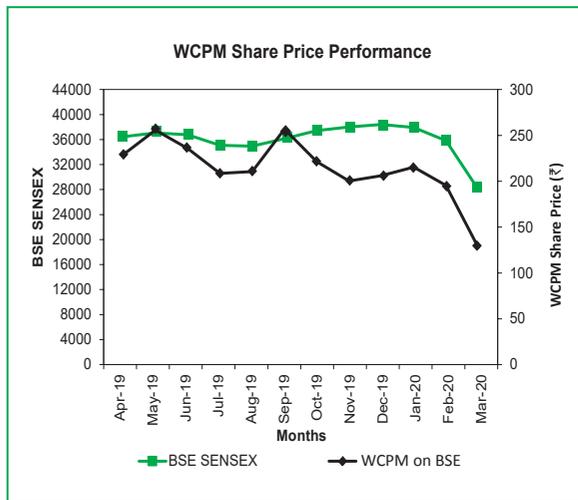
### F) Stock Code

- 1) BSE Limited - 500444  
2) National Stock Exchange of India Ltd - WSTCSTPAPR  
3) ISIN No. - INE976A01021

| MARKET PRICE DATA OF EQUITY SHARES (₹) |                   |        |   |        |
|--|-------------------|--------|---|--------|
| Month                                  | BSE Limited (BSE) |        | National Stock Exchange of India Ltd. (NSE) |        |
|  | High              | Low    | High  | Low    |
| April, 2019                            | 294.30            | 242.55 | 293.30                                      | 244.00 |
| May, 2019                              | <b>297.00</b>     | 216.05 | <b>297.00</b>                               | 215.75 |
| June, 2019                             | 275.00            | 232.50 | 275.60                                      | 232.00 |
| July, 2019                             | 256.90            | 217.10 | 257.00                                      | 217.25 |
| August, 2019                           | 245.85            | 209.85 | 248.85                                      | 210.05 |
| September, 2019                        | 286.00            | 219.95 | 286.00                                      | 219.55 |
| October, 2019                          | 275.60            | 230.25 | 279.90                                      | 230.05 |
| November, 2019                         | 238.45            | 204.15 | 238.50                                      | 204.50 |
| December, 2019                         | 227.40            | 204.90 | 226.90                                      | 204.55 |
| January, 2020                          | 257.45            | 213.00 | 257.60                                      | 213.10 |
| February, 2020                         | 233.55            | 199.75 | 233.60                                      | 198.20 |
| March, 2020                            | 215.00            | 99.90  | 212.00                                      | 100.05 |



## Report on Corporate Governance (Contd.)



### G) Registrar and Share Transfer Agent

For Shares held in physical form as well as in dematerialized form -

Link Intime India Pvt.Ltd.,  
C-101, 247 Park  
LBS Marg, Vikhroli (West) , Mumbai - 400 083.  
Ph: (022) 49186000; Fax: (022) 49186060;  
E-mail: [rnthelpdesk@linkintime.co.in](mailto:rnthelpdesk@linkintime.co.in)

### H) Share Transfer System

The Company's Registrar and Share Transfer Agent (RTA) has been entrusted with handling of physical transfer of shares also, as per the directions of SEBI, w.e.f. February, 2003, apart from dematerialization of shares. The Board of Directors of the Company has delegated the power of approval of share transfer executed/processed by the RTA to the Stakeholders Relationship Committee comprising of two Non-Executive Directors, One Independent Director, Executive Director and Company Secretary of the Company.

The RTA does the physical share transfer once in a week and sends the statement to the Company for approval purpose (w.e.f. 01.04.2019 pursuant to SEBI circular, transfer of securities will be done only in demat form).

### I) Shareholding Pattern as on March 31, 2020

| Category   | No. of shares held | % of shareholding |
|--|--------------------|-------------------|
| Promoters  | 37079391           | 56.14             |
| Mutual Funds & UTI                                 | 6336464            | 9.59              |
| Alternate Investment Funds                         | 1058530            | 1.60              |
| Foreign Portfolio Investor                         | 2155326            | 3.26              |
| Banks, Financial Institutions, Insurance Companies | 1116734            | 1.69              |
| Private Corporate Bodies, NBFCs, Trusts            | 2665945            | 4.04              |
| Indian Public                                      | 15105504           | 22.87             |
| NRIs/OCBs  | 287840             | 0.44              |
| Foreign Nationals                                  | 12050              | 0.02              |
| IEPF   | 231124             | 0.35              |
| <b>Total</b>                                       | <b>66048908</b>    | <b>100.00</b>     |

## Report on Corporate Governance (Contd.)

### J) Distribution of Shareholding as on March 31,2020

| From           | To       | No. of shareholders |               | No. of shares   |               |
|----------------|----------|---------------------|---------------|-----------------|---------------|
|                |          | Number              | %             | Number          | %             |
| Upto           | - 5000   | 29102               | 98.40         | 7970408         | 12.07         |
| 5001           | - 10000  | 208                 | 0.70          | 1531250         | 2.32          |
| 10001          | - 20000  | 121                 | 0.41          | 1719333         | 2.60          |
| 20001          | - 30000  | 37                  | 0.13          | 928851          | 1.41          |
| 30001          | - 40000  | 18                  | 0.06          | 639630          | 0.97          |
| 40001          | - 50000  | 14                  | 0.05          | 646481          | 0.98          |
| 50001          | - 100000 | 27                  | 0.09          | 1858569         | 2.81          |
| 100001 & Above |          | 47                  | 0.16          | 50754386        | 76.84         |
| <b>Total</b>   |          | <b>29574</b>        | <b>100.00</b> | <b>66048908</b> | <b>100.00</b> |

### K) Dematerialization of Shares

The Shares of the Company are in compulsory demat segment w.e.f. July 2000. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31<sup>st</sup> March 2020, 98.29% of the Shares of the Company were held in dematerialized form and rest in physical form.

### L) Non-Convertible Debenture

During the year on 18.10.2019 Company has Allotted Nos.1980, 10.30%, Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to ₹ 198.00 Crores for the acquisition of Andhra Paper Limited (formerly known as International Paper APPM Limited). The details of Debenture Trustee as under:

|                   |   |
|-------------------|---|
| Listed :          | BSE Limited   |
| Debt Scrip Code : | 959044  |
| ISIN No. :        | INE976A07028  |
| Trustee :         | IDBI Trusteeship Services Limited<br>Asian Building, Ground Floor,<br>17, R. Kamani Marg, Ballard Estate,<br>Mumbai - 400001, Maharashtra<br>Phone - 022-40807000<br><a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a><br><a href="http://www.idbitrustee.com">www.idbitrustee.com</a> |

### M) Plant Location of the Company

- i) **Paper & Paperboard and Duplex Board**  
Bangur Nagar, Dandeli - 581 325  
Uttara Kannada Dist. (Karnataka)
- ii) **Optical Fibre Cable Unit**  
West Coast Optilinks  
Plot No.386/387, KIADB, Electronic City  
Hebbal Industrial Area, Mysore - 570 016



## Report on Corporate Governance (Contd.)

### **N) Address for Correspondence**

The shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Company's RTA at the following address -

Link Intime India Pvt.Ltd.,  
(Unit: West Coast Paper Mills Ltd.)  
C-101, 247 Park  
LBS Marg, Vikhroli (West), Mumbai - 400 083.  
Ph: (022) 49186000; Fax: (022) 49186060;  
E-mail : [rnthelpdesk@linkintime.co.in](mailto:rnthelpdesk@linkintime.co.in)

### **O) Details of credit ratings obtained by the Company are covered in the Directors Report.**

## **9) DISCLOSURES**

### **A) Related Party Transactions**

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company. Policy on dealing with related party transactions is available on the website of the Company.

### **B) Compliance of various legal requirements by the Company**

The Company has complied with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and no penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

**C)** The Company has formed Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

**D)** The Company has complied with all the mandatory requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also adopted the following non-mandatory requirements:

- The Company is maintaining office for the Non-Executive Chairman.
- The Company is normally publishing unaudited/audited financial results without any qualifications.
- The Board members are having adequate experience and expertise to deal with business matters.

**E) Subsidiary Company:** The Financial Statements and investments if any, made by the unlisted subsidiary company, reviewed by the Audit Committee of the Company.

The minutes of the unlisted subsidiary company are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements if any enter into by the unlisted subsidiary company are also placed at the Board Meeting.

**F)** The Company has no material subsidiaries.

**G)** During the year Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**H)** Certificate from a Company Secretary in practice stating that none of the Directors on the board debarred or disqualified is attached.

**I)** As per SEBI Notification dated May 9, 2018, total fees paid for all services rendered by Statutory Auditor for the financial year ended on 31<sup>st</sup> March, 2020 is ₹ 32.15 Lakhs.



## Report on Corporate Governance (Contd.)

- J)** The Company has complied with requirements specified in Regulation 17 to 27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- K)** There is no Commodity Price Risk and Commodity Hedging activity during the year ended on 31<sup>st</sup> March, 2020.
- L) Pertaining to the Sexual Harassment of Women at the Workplace:** As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Companies (Accounts) Amendment Rules, 2018, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and set up a Complaints Committee at its work place(s) to redress the complaints of women employees and requisite disclosures in relation thereto as under:
- number of complaints filed during the financial year : Nil
  - number of complaints disposed during of the financial year : Nil
  - number of complaints pending as at the end of the financial year: Nil

### 10) CEO/CFO CERTIFICATION

As required by the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from CEO and CFO was placed before the Board of Directors at the meeting held on 26.06.2020.

### 11) COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same forms a part of this Report.

The Certificate from the Statutory Auditors will be sent to the Stock Exchanges along with the Annual Report of the Company.

### 12) TRANSFER OF SHARES TO THE IEPF AUTHORITY

Pursuant to the provisions under Section 124 (5) & (6) of the Companies Act, 2013 and read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 i.e., G.S.R. 1267(E) notified on 13.10.2017, shares in respect of which Dividend has not been paid or claimed for 7 consecutive years or more were transmitted to the demat account of IEPF authority bearing DP/CI Id No. IN300708 10656671 opened with NSDL by Ministry of Corporate Affairs.

### DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management personnel have affirmed compliance with Code of Conduct adopted by the Board, in its meeting held on 12th February, 2020.

Place: Dandeli  
Date: June 26, 2020

For **West Coast Paper Mills Limited**

**S. K. Bangur**  
Chairman & Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
WEST COAST PAPER MILLS LIMITED  
Registered Office: P B NO.5 BANGUR NAGAR,  
DANDELI, UTTAR KANNADA - 581325, KARNATAKA

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of WEST COAST PAPER MILLS LIMITED, having CIN L02101KA1955PLC001936 and having registered office at P B NO.5, BANGUR NAGAR, DANDELI, UTTARA KANNADA-581325, KARNATAKA (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| SL. NO. | NAME OF THE DIRECTOR           | DIN      | DESIGNATION         | DATE OF APPOINTMENT |
|---------|--------------------------------|----------|---------------------|---------------------|
| 1.      | SHREE KUMAR BANGUR             | 00053237 | Managing Director   | 24.02.1988          |
| 2.      | SHASHI BANGUR                  | 00053300 | Director            | 30.05.1994          |
| 3.      | SAURABH BANGUR                 | 00236894 | Director            | 28.06.2004          |
| 4.      | VIRENDRAA BANGUR               | 00237043 | Additional Director | 12.11.2019          |
| 5.      | PREMAL NARENDRA KAPADIA        | 00042090 | Director            | 07.08.1992          |
| 6.      | UTPAL BHATTACHARYYA            | 02665807 | Director            | 27.05.2009          |
| 7.      | KRISHNA KARWA KUMAR            | 00181055 | Director            | 30.10.2009          |
| 8.      | MAHAVIRPRASAD SURAJMAL TAPARIA | 00112461 | Director            | 11.11.2010          |
| 9.      | AMITAV KOTHARI                 | 01097705 | Director            | 12.02.2016          |
| 10.     | SUDARSHAN VIJAYNARAIN SOMANI   | 00137568 | Director            | 10.11.2017          |
| 11.     | RAJENDRA JAIN                  | 07250797 | Whole Time Director | 31.07.2015          |

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

For **N G Joshi & Co.**

**Naman G. Joshi**

*Practicing Company Secretary*

C P No.: 9579, M No.F8389

UDIN - F008389B000358739

Place : Bangalore

Date : 19 June, 2020



## INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To the Members of  
**West Coast Paper Mills Limited**

1. We have examined the compliance of conditions of corporate governance by West Coast Paper Mills Limited (the 'Company') for the year ended March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance stipulated in the Listing regulations as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2020.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

8. This Report is addressed to and provided to the members of the Company pursuant to requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Our certificate should not be used for any other person or for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Sudesh Choraria**  
Partner  
Membership Number: 204936  
UDIN: 20204936AAAADJ3857

Date : June 26, 2020  
Place : Mumbai



## Standalone Financial Statements



# Independent Auditor's Report

To the members of  
**WEST COAST PAPER MILLS LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of West Coast Paper Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to Note 59 the Standalone financial statements regarding uncertainty around the impact of COVID 19 on the operations of the Company, which is presently not ascertainable. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



## Independent Auditor's Report (Contd.)

| Key audit matters   | How our audit addressed the key audit matter   |
|---|--|
| <p><b>1. Revenue Recognition (Refer Note 1 (III) (h) and 27 to the Standalone Financial Statements)</b></p> <p>Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.</p> <p>We focussed on this area as a key audit matter as the value is significant and inherent risk exists of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates.</p>  | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> <li>➤ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115.</li> <li>➤ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue.</li> <li>➤ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents.</li> <li>➤ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents.</li> <li>➤ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> </ul>  |
| <p><b>2. Provisions and contingent liabilities related to taxation, litigation and claims (Refer Note 38 to the Standalone financial statements)</b></p> <p>The Company has ongoing litigations with various regulatory and tax authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter</p> | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> <li>➤ Obtained an understanding of management's process to identify new obligations and changes in existing obligations for compliance with Ind AS 12 – Income taxes and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.</li> <li>➤ analysed significant changes in material provisions from prior periods and obtained a detailed understanding of these changes and assumptions applied.</li> <li>➤ Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the Consolidated financial statements included: <ul style="list-style-type: none"> <li>• Assessment of the recognition criteria for the liability;</li> <li>• Evaluation of the methodology adopted by management for the measurement of the liability;</li> <li>• Assessment of the other key measurement assumptions and inputs.</li> <li>• We have obtained opinions and confirmations from internal /external experts and legal counsel, where necessary, which we have relied upon.</li> </ul> </li> <li>➤ We reviewed the minutes of the Board meetings including other committees to evaluate the process and controls over obligations operated by management.</li> <li>➤ Testing of the mathematical accuracy of the measurement calculation;</li> <li>➤ We assessed the appropriateness of the presentation of the most significant contingent liabilities in the financial statements.</li> </ul> |



## Independent Auditor's Report (Contd.)

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



## Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The Company had carried out physical verification of inventory post balance sheet date and due to countrywide lockdown imposed by Government we could participate in the physical verification of inventory at year end. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Statement.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



## Independent Auditor's Report (Contd.)

- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
  - ii. The Company has accounted for material foreseeable losses, if any, for long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Sudesh Choraria**  
Partner  
Membership No: 204936  
UDIN: 20204936AAAAACR2868

Date : June 26, 2020  
Place : Mumbai



## Annexure A

to the independent auditor's report

**(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of WEST COAST PAPER MILLS LIMITED on the Standalone financial Statements as of and for the year ended March 31, 2020)**

We report that:

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets (property, plant and equipment).
  - b) As explained to us, the fixed assets (property, plant and equipment) have been physically verified by management and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination, title deeds of the immovable property other than self - constructed immovable property (buildings) as disclosed in schedule of Property, Plant and Equipments to the financial statements, are held in the name of the Company, except for

| Asset Category                                  | Gross Block<br>(₹ Lakh) | Net Block<br>(₹ Lakh) | Remarks   |
|---|-------------------------|-----------------------|---|
| Leasehold Land                                  | 162                     | 162                   | 289.68 acres of leasehold land for which Government approval for renewal for next 30 years received but lease agreement is yet to be executed; and 109.10 acres of other leasehold land of which lease agreement is expired and pending to be renewed and registered with the government. |
| Leasehold Land (Under Capital Work in progress) | 941                     | 941                   | 20 acres of leasehold land for which allotment letter is issued by the authority but agreement is yet to be executed.   |

- ii. As explained to us, the physical verification of inventories, except goods in transit has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories were suitably adjusted in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loan to Companies covered in the register maintained under Section 189 of the Companies Act, thus the clause is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and records examined by us, Company has not given any loan, made investments or given Guarantee and Securities to parties covered under Section 185 / 186 of the Companies Act 2013. Hence paragraph 3 (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Service Tax and other statutory dues, as applicable, except for some minor delays in case of TDS. There was no undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
  - b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below :

## Annexure A

to the independent auditor's report (Contd.)

| Name of the Statute                | Period to which the amount relates | Forum where dispute is pending                              | Amount in dispute (₹ Lakhs)                                   |
|------------------------------------|------------------------------------|---|---|
| Income Tax Act 1961                | Assessment year 1999-00 to 2015-16 | Commissioner Appeals, ITAT, Honourable High Court           | 3117.08 (net of refunds adjusted and payments of ₹ 662 lakhs) |
| Central Excise Act 1944            | 2008-09 to 2012-13                 | Commissioner- CESTAT  | 60.15   |
| The Custom Act 1962                | 2013-14 & 2016-17                  | Honourable Supreme Court, Commissioner of Customs (Appeals) | 540.27 (Net of recoveries done by department ₹ 21.48 lakhs)   |
| Service tax under Finance Act 1994 | 2015-16                            | Commissioner Appeals, CESTAT                                | 0.10  |

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

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Sudesh Choraria**  
Partner

Membership No: 204936  
UDIN: 20204936AAAAACR2868

Date : June 26, 2020  
Place : Mumbai



## Annexure B

to the independent auditor's report

**(Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of WEST COAST PAPER MILLS LIMITED on the Standalone financial Statements as of and for the year ended March 31, 2020)**

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

1. We have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ('the Company') as of March 31, 2020 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**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. 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**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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



## Annexure B

to the independent auditor's report (Contd.)

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For **Singhi & Co.**  
*Chartered Accountants*  
Firm Registration Number: 302049E

**Sudesh Choraria**  
*Partner*  
Membership No: 204936  
UDIN: 20204936AAAACR2868

Date : June 26, 2020  
Place : Mumbai



# Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

|   | Note | As at              |                    |
|---|------|--------------------|--------------------|
|   |      | March 31, 2020     | March 31, 2019     |
| <b>ASSETS</b>                               |      |                    |                    |
| <b>Non-Current Assets</b>                   |      |                    |                    |
| Property, Plant and Equipment               | 2    | 90,522.80          | 98,423.34          |
| Capital Work-in-Progress                    | 3    | 5,532.28           | 3,703.75           |
| Intangible Assets                           | 4    | 53.68              | 84.83              |
| Biological Assets other than bearer plants  | 5    | 760.03             | 997.45             |
| Financial Assets:                           |      |                    |                    |
| i. Investments in Subsidiary and Associates | 6    | 91,161.93          | 1.99               |
| ii. Other Investments                       | 6    | 51.00              | 74.60              |
| iii. Loans                                  | 7    | -                  | -                  |
| iv. Other Financial Assets                  | 8    | 189.39             | 178.95             |
| Other Non-Current Assets                    | 9    | 243.37             | 695.48             |
| Current Tax Assets (Net)                    | 10   | 804.80             | 1,656.29           |
| Deferred Tax Assets (Net)                   | 11   | 4,675.03           | 1,323.38           |
| <b>Total Non-Current Assets</b>             |      | <b>1,93,994.31</b> | <b>1,07,140.06</b> |
| <b>Current Assets</b>                       |      |                    |                    |
| Inventories                                 | 12   | 32,418.80          | 42,752.59          |
| Biological Assets other than bearer plants  | 5    | 0.40               | 149.49             |
| Financial Assets :                          |      |                    |                    |
| i. Investments                              | 6    | -                  | 22,189.09          |
| ii. Trade Receivables                       | 13   | 10,141.20          | 16,262.66          |
| iii. Cash and Cash Equivalents              | 14   | 141.86             | 225.50             |
| iv. Other Bank Balances                     | 15   | 251.64             | 311.21             |
| v. Loans                                    | 7    | 298.22             | 922.80             |
| vi. Other Financial Assets                  | 8    | 211.19             | 165.01             |
| Other Current Assets                        | 16   | 2,362.39           | 1,415.73           |
| Assets classified as held for sale          | 17   | 6.59               | 6.59               |
| <b>Total Current Assets</b>                 |      | <b>45,832.29</b>   | <b>84,400.67</b>   |
| <b>Total Assets</b>                         |      | <b>2,39,826.60</b> | <b>1,91,540.73</b> |
| <b>EQUITY AND LIABILITIES</b>               |      |                    |                    |
| <b>Equity</b>                               |      |                    |                    |
| Equity share capital                        | 18   | 1,320.98           | 1,320.98           |
| Other equity                                | 19   | 1,28,232.31        | 1,09,030.83        |
| <b>Total Equity</b>                         |      | <b>1,29,553.29</b> | <b>1,10,351.81</b> |
| <b>Liabilities</b>                          |      |                    |                    |
| <b>Non-Current Liabilities</b>              |      |                    |                    |
| Financial Liabilities :                     |      |                    |                    |
| i) Borrowings                               | 20   | 52,362.17          | 15,092.72          |
| ii) Other financial liabilities             | 21   | 6,260.14           | 7,709.17           |
| Provisions                                  | 22   | 500.77             | 374.50             |
| Other non-current liabilities               | 23   | 7,209.76           | 6,833.56           |
| <b>Total Non-Current Liabilities</b>        |      | <b>66,332.84</b>   | <b>30,009.95</b>   |
| <b>Current Liabilities</b>                  |      |                    |                    |
| Financial Liabilities :                     |      |                    |                    |
| i) Borrowings                               | 24   | 8,838.56           | 15,867.98          |
| ii) Trade payables                          |      |                    |                    |
| a) Micro and Small Enterprises              | 25   | 463.45             | 89.05              |
| b) Others                                   | 25   | 7,393.57           | 17,900.33          |
| iii) Other financial liabilities            | 21   | 21,757.02          | 13,525.29          |
| Provisions                                  | 22   | 1,062.15           | 521.15             |
| Other current liabilities                   | 26   | 4,425.72           | 3,275.17           |
| <b>Total Current Liabilities</b>            |      | <b>43,940.47</b>   | <b>51,178.97</b>   |
| <b>Total Equity and Liabilities</b>         |      | <b>2,39,826.60</b> | <b>1,91,540.73</b> |

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director &amp; CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur**

Virendraa Bangur

**P. N. Kapadia**

M. P. Taparia

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

Krishna Kumar Karwa

Amitav Kothari

**Sudarshan Somani**

Directors



# Statement of Profit & Loss

for the year ended March 31, 2020

(₹ in Lakhs)

|  | Note | For the year ended |                    |
|--|------|--------------------|--------------------|
|  |      | March 31, 2020     | March 31, 2019     |
| Revenue from operations  | 27   | 1,98,114.78        | 1,97,716.24        |
| Revenue from trading operations  | 28   | 130.62             | 215.18             |
| Other income   | 29   | 4,759.03           | 2,052.40           |
| <b>Total Income</b>  |      | <b>2,03,004.43</b> | <b>1,99,983.82</b> |
| <b>Expenses</b>  |      |                    |                    |
| Cost of Materials Consumed   | 30   | 1,04,382.25        | 1,00,560.12        |
| Purchases of Stock in Trade  | 31   | 90.02              | 183.24             |
| Changes in Inventories of Finished Goods & Work in Progress                  | 32   | (4,655.86)         | (2,196.75)         |
| Employee Benefits Expense  | 33   | 16,001.05          | 13,848.53          |
| Finance Costs  | 34   | 7,204.34           | 2,923.98           |
| Depreciation and Amortization Expense  | 35   | 16,636.52          | 17,526.11          |
| Other Expenses   | 36   | 34,308.04          | 34,596.87          |
| <b>Total Expenses</b>  |      | <b>1,73,966.36</b> | <b>1,67,442.10</b> |
| <b>Profit before exceptional items and tax</b>                               |      | <b>29,038.07</b>   | <b>32,541.72</b>   |
| Exceptional items  |      | -                  | -                  |
| <b>Profit before tax</b>   |      | <b>29,038.07</b>   | <b>32,541.72</b>   |
| <b>Income tax expense</b>  | 37   |                    |                    |
| Current tax  |      | 4,749.67           | 6,799.99           |
| MAT credit entitlement   |      | (1,366.81)         | (2,128.62)         |
| Deferred tax   |      | (1,984.83)         | (1,735.22)         |
| <b>Total tax expenses</b>  |      | <b>1,398.03</b>    | <b>2,936.15</b>    |
| <b>Profit/ (loss ) for the period from continuing operations</b>             |      | <b>27,640.04</b>   | <b>29,605.57</b>   |
| <b>Other Comprehensive Income</b>  | 19   |                    |                    |
| Items that may be reclassified to Profit or Loss                             |      | -                  | -                  |
| Items that will not be reclassified to Profit or Loss                        |      | -                  | -                  |
| Remeasurement of employees benefit obligations                               |      | (723.70)           | 32.27              |
| Income Tax relating to Items that will not be reclassified to Profit or Loss |      | 252.89             | (6.95)             |
| <b>Other Comprehensive Income for the period (net of tax )</b>               |      | <b>(470.81)</b>    | <b>25.32</b>       |
| <b>Total Comprehensive Income for the year</b>                               |      | <b>27,169.23</b>   | <b>29,630.89</b>   |
| <b>Earning Per Equity Share for profit from Continuing Operations</b>        |      |                    |                    |
| Basic Earning per share (in ₹)   |      | 41.85              | 44.82              |
| Diluted Earning per share (in ₹)   |      | 41.85              | 44.82              |
| <b>Significant Accounting Policies</b>                                       | 1    |                    |                    |

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

**For and on behalf of the Board**

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director & CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur**

Virendraa Bangur

**P. N. Kapadia**

**M. P. Taparia**

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

**Krishna Kumar Karwa**

**Amitav Kothari**

**Sudarshan Somani**

Directors



# Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | For the year ended |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                    |                    |
| <b>Profit before income tax</b>  | 29,038.07          | 32,541.72          |
| Adjustments for  |                    |                    |
| Depreciation and amortisation  | 16,636.52          | 17,526.11          |
| Loss / (Gain) on disposal of Property, plant and equipment   | (2.35)             | 497.34             |
| Loss / (Gain) on sale of investments   | (1,651.80)         | -                  |
| Dividend and interest income classified as investing cash flows  | (1,290.14)         | (699.80)           |
| Rent receipt   | (26.60)            | (24.00)            |
| Finance Costs  | 5,738.29           | 2,645.56           |
| Government grant income  | (537.48)           | (621.05)           |
| Provision for doubtful debts   | 109.31             | -                  |
| Bad debts / assets written off   | -                  | 56.19              |
| Net exchange differences   | 1,466.05           | 251.50             |
| Fair Value adjustment in Investment  | 23.59              | (163.28)           |
| Liabilities & Provisions written back  | (1,007.24)         | (138.51)           |
| <b>Total</b>   | <b>19,458.15</b>   | <b>19,330.06</b>   |
| <b>Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary</b> |                    |                    |
| (Increase) / Decrease in trade receivables   | 6,012.17           | (4,369.87)         |
| (Increase) / Decrease in inventories   | 10,720.28          | (7,811.19)         |
| (Increase) / Decrease in other financial assets  | (59.70)            | 17.90              |
| (Increase) / Decrease in other non-current assets  | 452.11             | 241.47             |
| (Increase) / Decrease in other current assets  | (946.64)           | 1,423.07           |
| Increase / (decrease) in trade liabilities   | (9,503.14)         | (1,152.98)         |
| Increase / (Decrease) in provisions  | 1,045.27           | 74.91              |
| Increase / (decrease) in other financial liabilities   | 352.08             | 4,235.18           |
| Increase / (Decrease) in current liabilities   | 1,055.96           | 909.55             |
| <b>Total</b>   | <b>9,128.39</b>    | <b>(6,431.96)</b>  |
| <b>Cash generated from operations</b>  | <b>57,624.61</b>   | <b>45,439.83</b>   |
| Less: Income Tax paid  | 3,201.77           | 5,940.71           |
| <b>Net cash flow from operating activities</b>   | <b>54,422.84</b>   | <b>39,499.12</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                    |                    |
| Payments for property, plant and equipment   | (10,527.69)        | (16,363.61)        |
| Purchase of intangible assets  | (11.85)            | (21.66)            |
| Investment in Subsidiary   | (91,159.94)        | -                  |
| Proceeds from sale of investments  | -                  | -                  |
| Proceeds from sale of property, plant and equipments   | 8.52               | 180.30             |
| Rent Received  | 26.60              | 24.00              |
| Interest received  | 56.87              | 693.16             |
| Bank Deposits  | 59.58              | (54.86)            |
| Loan to subsidiary   | 652.19             | (816.00)           |
| Investment in mutual fund  | (64,350.00)        | (22,000.00)        |
| Redemption of mutual fund  | 88,190.89          | -                  |
| Dividend income received   | 0.21               | -                  |
| <b>Net cash flow from investing activities</b>   | <b>(77,054.62)</b> | <b>(38,358.67)</b> |



## Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | For the year ended    |                       |
|--|-----------------------|-----------------------|
|  | March 31, 2020        | March 31, 2019        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |                       |                       |
| Proceeds from Long Term Borrowings   | 58,371.48             | -                     |
| Repayments of Long Term Borrowings   | (15,083.85)           | (7,922.21)            |
| Proceeds / (Repayment) of Short Term Borrowings (Net)                        | (7,029.43)            | 11,493.46             |
| Interest and Finance Charges   | (5,742.30)            | (2,024.51)            |
| Dividends paid to company's shareholders (including interim)                 | (6,604.89)            | (2,641.96)            |
| Tax on equity dividend   | (1,362.87)            | (537.84)              |
| <b>Net cash inflow / (outflow) from financing activities</b>                 | <b>22,548.14</b>      | <b>(1,633.06)</b>     |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b>                | <b>(83.64)</b>        | <b>(492.60)</b>       |
| <b>Net Increase or Decrease in cash and cash equivalents during the year</b> | <b>(83.64)</b>        | <b>(492.60)</b>       |
| <b>Cash and cash equivalents at the beginning of the financial year</b>      | 225.50                | 718.10                |
| <b>Cash and cash equivalents at the end of the financial year</b>            | 141.86                | 225.50                |
| <b>Reconciliation of Financial Liabilities - Borrowings</b>                  | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| Opening balance  | 40,020.84             | 36,494.37             |
| Add: Proceeds of borrowings  | 56,905.48             | -                     |
| Less: (Repayment) of borrowings  | (15,083.85)           | (7,922.21)            |
| Less: Proceeds / (Repayments) of borrowings (short term) (net)               | (7,029.43)            | 11,493.46             |
| Add: Non-cash movement   | 1,878.43              | (44.78)               |
|  | <b>76,691.47</b>      | <b>40,020.84</b>      |

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

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

**For and on behalf of the Board**

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director & CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur**

Virendraa Bangur

**P. N. Kapadia**

**M. P. Taparia**

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

**Krishna Kumar Karwa**

**Amitav Kothari**

**Sudarshan Somani**

Directors



# Statement of Changes in Other Equity

for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

## A. EQUITY SHARE CAPITAL

|                                   | Balance at the beginning of the reporting year |                 | Changes in equity share capital during the year |                 | Balance at the end of the reporting year |                 |
|-----------------------------------|--|-----------------|---|-----------------|--|-----------------|
|                                   | No. of Shares                                  | Amount in Lakhs | No. of Shares                                   | Amount in Lakhs | No. of Shares                            | Amount in Lakhs |
| For the year ended March 31, 2019 | 6,60,48,908                                    | 1,320.98        | -   | -               | 6,60,48,908                              | 1,320.98        |
| For the year ended March 31, 2020 | 6,60,48,908                                    | 1,320.98        | -   | -               | 6,60,48,908                              | 1,320.98        |

## B. OTHER EQUITY

| Particulars   | Reserves & Surplus       |                   |                            |                                |                  | Other Comprehensive Income | Total              |
|---|--------------------------|-------------------|----------------------------|--------------------------------|------------------|----------------------------|--------------------|
|   | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share Warrant Forfeited | General Reserve  |                            |                    |
| <b>Opening as on April 01, 2018</b>   | 14,572.54                | 25,229.71         | 6,500.00                   | 277.50                         | 36,934.35        | (934.37)                   | <b>82,579.73</b>   |
| Profit for the year   | -                        | 29,605.58         | -                          | -                              | -                | -                          | 29,605.58          |
| Remeasurement of net defined benefit liability/asset (net of tax)                 | -                        | -                 | -                          | -                              | -                | 25.32                      | 25.32              |
| Dividends paid (including Dividend Distribution Tax)                              | -                        | (3,179.80)        | -                          | -                              | -                | -                          | (3,179.80)         |
| <b>Balance as on March 31, 2019</b>   | <b>14,572.54</b>         | <b>51,655.49</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,030.83</b> |
| <b>Opening as on April 01, 2019</b>   | 14,572.54                | 51,655.49         | 6,500.00                   | 277.50                         | 36,934.35        | (909.05)                   | 1,09,030.83        |
| Profit for the year   | -                        | 27,640.04         | -                          | -                              | -                | -                          | 27,640.04          |
| Remeasurement of net defined benefit liability/asset (net of tax)                 | -                        | -                 | -                          | -                              | -                | (470.81)                   | (470.81)           |
| Dividends paid (including Dividend Distribution Tax) (including Interim Dividend) | -                        | (7,967.75)        | -                          | -                              | -                | -                          | (7,967.75)         |
| <b>Balance as on March 31, 2020</b>   | <b>14,572.54</b>         | <b>71,327.78</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(1,379.86)</b>          | <b>1,28,232.31</b> |

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

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director &amp; CFO

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**P. N. Kapadia**

M. P. Taparia

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

Krishna Kumar Karwa

**Amitav Kothari**

Sudarshan Somani

Directors

# Notes to Standalone Financial Statements

for the year ended March 31, 2020

## Note 1 Company Overview, Basis of Preparation and Significant Accounting Policies

### I. The Company Overview:

West Coast Paper Mills Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Bangur Nagar, Dandeli 581325 District Uttara Kannada, Karnataka. The Company was established in 1955. The Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. The Company's Dandeli Plant is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001-2015, ISO 14001-2015 FSC (R) & OHSAS 18000-2007. The Company's Mysore Plant produces Optical Fibre Cable which cater requirement of telecom sector of India.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on June 26, 2020.

### II. Basis of Preparation of Financial Statements:

#### a) Statement of Compliance:

The Financial Statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013 and the relevant provisions thereof.

#### b) Basis of Preparation:

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

#### c) Functional and Presentation Currency:

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

#### d) Use of Estimates:

The preparation of the Financial Statements in conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### e) Classification of Assets and Liabilities as Current and Non-Current:

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### III. Significant Accounting Policies:

#### a) Property, Plant and Equipments (PPE):

PPE are stated at cost of acquisition (net of Tax / Duty credit availed) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.

Assets under installation or under construction as at Balance Sheet date are shown as Capital work in progress together with project expenses.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.



## Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

### Decommissioning Liability:

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Company has estimated such costs being the present value of future liability for decommissioning. Such costs are capitalized and a provision of the equivalent amount has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Company.

### Disposal of Assets:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### b) Depreciation & Amortization:

The Company depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

| Sl. No. | Particulars  | Useful Life | Method |
|---------|--|-------------|--------|
| 1.      | Plant and Machinery*- Paper machines   | 20          | WDV    |
| 2.      | Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant | 20          | WDV    |
| 3.      | Roads & Drainage*  | 20          | WDV    |
| 4.      | OFC Plant & Machinery*   | 20          | WDV    |
| 5.      | JFTC Plant & Machinery*  | 20          | WDV    |
| 6.      | Coal Handling Plant*   | 20          | WDV    |
| 7.      | Factory Buildings  | 30          | WDV    |
| 8.      | Non Factory Buildings  | 60          | WDV    |

| Sl. No. | Particulars                   | Useful Life | Method |
|---------|-------------------------------|-------------|--------|
| 9.      | Office Equipments             | 5           | WDV    |
| 10.     | Computers & Computer Software | 3           | WDV    |
| 11.     | Motor Vehicles                | 8           | WDV    |
| 12.     | Intangible Assets             | 3           | WDV    |

\*Based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

In respect of incremental cost arising on account of realized / notional gain / loss on foreign currency liability for acquisition of fixed assets, depreciation is provided over the remaining residual life of the respective assets.

Assets individually costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed at least at the end of each financial year.

### c) Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

### d) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.



## Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

**e) Assets held for Sale:**

The Company recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at net carrying amount or realizable value whichever is lower.

**f) Investments:**

**Investment in subsidiary & associates**

The investments are classified as Non-current Investment and the same is accounted at Cost.

**Other Investments**

Current investments are carried at the lower of cost or quoted/ fair value, computed category-wise.

**g) Valuation of Inventories:**

Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.

Work in process is valued at cost.

Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

Stock of scrap is valued at realizable value.

Biological assets other than bearer plants which are matured and have market value are valued at fair value Biological Assets which are immature are valued at cost.

**h) Revenue Recognition:**

Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer and are adjusted for discounts (net), Taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

Revenue from contracts with customers is recognised in accordance with Ind AS 115, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment

and excluding taxes or duties collected on behalf of the Government.

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Export Incentive Scheme Benefits are recognized on accrual basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim.

**i) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

**j) Research and Development Expenditure:**

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is Incurred.

**k) Employee Benefits:**

Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account



# Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

of interest, if any, is recognized in the Statement of Profit and Loss.

Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged to the Statement of Profit and Loss on accrual basis.

Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income.

## l) Earnings Per Share(EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## m) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets in accordance with the exemption under Para D13AA of Ind AS 101.

## n) Financial Instruments:

### Financial Assets :

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition

of 'equity' for the issuer. All other non-derivative financial assets are 'debt'.

All Financial Assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

### Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

### Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

## Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### **Derecognition of Financial Assets:**

The Company derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Financial Liability:**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial Liabilities are subsequently carried at amortized cost using the effective interest method, except for loans where the difference between IRR and normal rate of interest was immaterial.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company

take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

### **Derivative Financial Instruments:**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### **Trade and Other Payables:**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **Other Financial Liabilities:**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash



## Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**o) Borrowing Cost:**

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

**p) Taxation:**

Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from “temporary difference” between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

**q) Provisions &Contingent Liabilities/ Assets:**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

**r) Government Grants:**

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

**s) Leases:**

On April 01, 2019, the Company adopted Ind AS 116, Leases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

**The Company as lessee:**

At the inception of the contract, the Company assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of identifying if

## Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2020

a contract contains a lease, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except in case of low value leases and short term leases (a term of less than twelve months) wherein the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The right-of-use assets are initially recognized at cost. Cost includes the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the useful life of the underlying asset or the lease term whichever is shorter. Right of use assets are tested for impairment whenever events or changes in circumstances indicate that their

carrying amounts may not be recoverable.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### t) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020

### u) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of PPE & intangible assets
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Note 2 PROPERTY, PLANT AND EQUIPMENT

| Sl. no. | Particulars  | Property, Plant and Equipment |                |                  |                     |                         |                 | Right of use assets             |                                       | Grand Total        |
|---------|--|-------------------------------|----------------|------------------|---------------------|-------------------------|-----------------|---------------------------------|---------------------------------------|--------------------|
|         |  | Freehold Land                 | Leasehold Land | Buildings        | Plant and Machinery | Furnitures and fixtures | Other Assets    | Lease hold land (Finance Lease) | Lease hold land (Right to use assets) |                    |
|         | <b>Gross carrying value as at April 01, 2018</b>                   | 61.61                         | 162.04         | 21,980.18        | 2,05,602.36         | 484.87                  | 1,265.50        | -                               | -                                     | 2,29,556.56        |
| 1       | Additions  | -                             | -              | 412.77           | 11,987.51           | 119.32                  | 158.73          | -                               | -                                     | 12,678.33          |
| 2       | Reclassified as held for sale                                      | -                             | -              | -                | (57.06)             | -                       | -               | -                               | -                                     | (57.06)            |
| 3       | Effect of foreign exchange (gain) / loss                           | -                             | -              | -                | 303.77              | -                       | -               | -                               | -                                     | 303.77             |
| 4       | Deletions  | -                             | -              | -                | (2,692.43)          | -                       | -               | -                               | -                                     | (2,692.43)         |
|         | <b>Gross carrying value as at March 31, 2019</b>                   | <b>61.61</b>                  | <b>162.04</b>  | <b>22,392.95</b> | <b>2,15,144.15</b>  | <b>604.19</b>           | <b>1,424.23</b> | -                               | -                                     | <b>2,39,789.17</b> |
|         | <b>Accumulated Depreciation as at April 01, 2018</b>               | -                             | -              | 12,561.27        | 1,12,369.26         | 275.46                  | 1,031.35        | -                               | -                                     | 1,26,237.34        |
| 1       | Depreciation   | -                             | -              | 908.37           | 16,270.54           | 51.04                   | 150.70          | -                               | -                                     | 17,380.65          |
| 2       | Assets held for sale   | -                             | -              | -                | (50.47)             | -                       | -               | -                               | -                                     | (50.47)            |
| 3       | Effect on foreign currency   | -                             | -              | -                | -                   | -                       | -               | -                               | -                                     | -                  |
| 4       | Eliminated on disposal of asset                                    | -                             | -              | -                | (2,201.69)          | -                       | -               | -                               | -                                     | (2,201.69)         |
|         | <b>Accumulated Depreciation as at March 31, 2019</b>               | -                             | -              | <b>13,469.64</b> | <b>1,26,387.64</b>  | <b>326.49</b>           | <b>1,182.06</b> | -                               | -                                     | <b>1,41,365.83</b> |
|         | <b>Net carrying value as at March 31, 2019</b>                     | <b>61.61</b>                  | <b>162.04</b>  | <b>8,923.31</b>  | <b>88,756.51</b>    | <b>277.70</b>           | <b>242.18</b>   | -                               | -                                     | <b>98,423.34</b>   |
|         | <b>Gross carrying value as at April 01, 2019</b>                   | 61.61                         | 162.04         | 22,392.95        | 2,15,144.15         | 604.19                  | 1,424.23        | -                               | -                                     | 2,39,789.17        |
| 1       | Additions  | -                             | -              | 684.06           | 7,837.73            | 61.04                   | 73.29           | -                               | -                                     | 8,656.12           |
| 2       | Reclassification on account of Ind AS 116 adoption (Refer Note 58) | -                             | (162.04)       | -                | -                   | -                       | -               | 162.04                          | -                                     | -                  |
| 3       | Impact of adoption of Ind AS 116 (Refer Note 58)                   | -                             | -              | -                | -                   | -                       | -               | -                               | 56.91                                 | 56.91              |
| 4       | Reclassified as held for sale                                      | -                             | -              | -                | -                   | -                       | -               | -                               | -                                     | -                  |
| 5       | Effect of foreign exchange (gain) / loss                           | -                             | -              | -                | (13.89)             | -                       | -               | -                               | -                                     | (13.89)            |
| 6       | Deletions  | -                             | -              | -                | (73.21)             | -                       | -               | -                               | -                                     | (73.21)            |
|         | <b>Gross carrying value as at March 31, 2020</b>                   | <b>61.61</b>                  | -              | <b>3,077.01</b>  | <b>2,22,894.78</b>  | <b>665.23</b>           | <b>1,497.52</b> | <b>162.04</b>                   | <b>56.91</b>                          | <b>2,48,415.10</b> |
|         | <b>Accumulated Depreciation as at April 01, 2019</b>               | -                             | -              | 13,469.64        | 1,26,387.64         | 326.49                  | 1,182.06        | -                               | -                                     | 1,41,365.83        |
| 1       | Depreciation   | -                             | -              | 861.13           | 15,540.54           | 64.39                   | 125.36          | -                               | 2.09                                  | 16,593.51          |
| 2       | Assets held for sale   | -                             | -              | -                | -                   | -                       | -               | -                               | -                                     | -                  |
| 3       | Effect on foreign currency   | -                             | -              | -                | -                   | -                       | -               | -                               | -                                     | -                  |
| 4       | Eliminated on disposal of asset                                    | -                             | -              | -                | (67.04)             | -                       | -               | -                               | -                                     | (67.04)            |
|         | <b>Accumulated Depreciation as at March 31, 2020</b>               | -                             | -              | <b>14,330.77</b> | <b>1,41,861.14</b>  | <b>390.88</b>           | <b>1,307.42</b> | -                               | <b>2.09</b>                           | <b>1,57,892.30</b> |
|         | <b>Net carrying value as at March 31, 2020</b>                     | <b>61.61</b>                  | -              | <b>8,746.24</b>  | <b>81,033.64</b>    | <b>274.35</b>           | <b>190.10</b>   | <b>162.04</b>                   | <b>54.82</b>                          | <b>90,522.80</b>   |

- Buildings are constructed on leasehold land for which Company pays only ground rent except non-factory buildings worth ₹ 78.91 Lakhs (Previous Year ₹ 62.49 Lakhs) being the cost of ownership premises.
- Lease hold land represents the amount paid to Karnataka Industrial Area Development Board (KIADB), Bangalore against allotment of land at Kesaroli Village Haliyal on Lease cum sale basis.
- During the current year, foreign exchange fluctuation gain amounting to ₹ 13.89 Lakhs (Previous year : Loss of ₹ 303.77 Lakhs) has been capitalized to the block of plant & machinery pursuant to Notification no. G.S.R. 913(E) dated 29.12.2011, applicable up to March 31, 2020. Notional exchange rate variation capitalized till 31.03.2020 is ₹ Nil (Previous year ₹ 686.97 Lakhs).



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Note 3 CAPITAL WORK-IN-PROGRESS</b>                   |                  |                  |
| Opening Balance  | 3,703.75         | 322.25           |
| Add: Additions during the year                           | 10,017.60        | 15,905.45        |
|  | <b>13,721.35</b> | <b>16,227.70</b> |
| Less: Capitalised during the year                        | 8,189.07         | 12,523.95        |
| <b>Closing Balance</b>                                   | <b>5,532.28</b>  | <b>3,703.75</b>  |
| <b>Note 4 INTANGIBLE ASSETS</b>                          |                  |                  |
| <b>Computer Software</b>                                 |                  |                  |
| <b>Cost</b>  |                  |                  |
| Cost   | 638.09           | 616.43           |
| Additions  | 11.86            | 21.66            |
| Deletions  | -                | -                |
| <b>Closing gross value</b>                               | <b>649.95</b>    | <b>638.09</b>    |
| Accumulated amortization                                 | 553.26           | 407.80           |
| Amortization expense                                     | 43.01            | 145.46           |
| <b>Closing accumulated amortization</b>                  | <b>596.27</b>    | <b>553.26</b>    |
| <b>Net Carrying Value of Intangible Assets</b>           | <b>53.68</b>     | <b>84.83</b>     |
| <b>Note 5 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b> |                  |                  |
| <b>Opening balance</b>                                   | 1,146.94         | 1,799.04         |
| Expenses during the year                                 | 98.54            | 125.59           |
| Consumption during the year                              | (485.05)         | (777.69)         |
| <b>Closing Balance</b>                                   | <b>760.43</b>    | <b>1,146.94</b>  |
| <b>Reconciliation</b>                                    |                  |                  |
| <b>Non-current assets</b>                                |                  |                  |
| Immature crops   | 760.03           | 997.45           |
| <b>Total Non-Current Assets</b>                          | <b>760.03</b>    | <b>997.45</b>    |
| <b>Current assets</b>                                    |                  |                  |
| Matured crops  | 0.40             | 149.49           |
| <b>Total current assets</b>                              | <b>0.40</b>      | <b>149.49</b>    |
| <b>Total Biological Assets Other Than Bearer Plants</b>  | <b>760.43</b>    | <b>1,146.94</b>  |



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Note 6 INVESTMENTS   | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Non Current</b>   |                  |                  |
| <b>Investment in Subsidiaries</b>  |                  |                  |
| <b>Quoted (at cost)</b>  |                  |                  |
| 2,87,13,400 Equity Shares (Previous Year : Nil ) of ₹ 10 each of Andhra Paper Limited(Formerly known as International Paper APPM Limited)* (Refer Note 59) | 91,159.94        | -                |
| <b>Unquoted (at cost)</b>  |                  |                  |
| 19,940 Equity Shares (Previous Year : 19,940 ) of ₹ 10 each of West Coast Opticables Limited   | 1.99             | 1.99             |
| <b>Total Investments in Subsidiaries</b>   | <b>91,161.93</b> | <b>1.99</b>      |
| <b>Investment in Associates**</b>  |                  |                  |
| <b>Unquoted (at cost)</b>  |                  |                  |
| 18,50,130 Equity Shares (Previous Year 18,50,130) of ₹ 10 each of Speciality Coatings & Lamination Limited   | -                | -                |
| <b>Total Investment in Associates</b>  | -                | -                |
| <b>Total Investments in Subsidiaries and Associates</b>  | <b>91,161.93</b> | <b>1.99</b>      |
| <b>Others</b>  |                  |                  |
| <b>Quoted (at fair value through Profit or Loss)</b>   |                  |                  |
| 5,42,399 Equity Shares (Previous Year : 5,42,399 ) of ₹ 10 each of Jayashree Chemicals Ltd   | 15.62            | 39.22            |
| <b>Unquoted (at amortised cost)</b>  |                  |                  |
| 22,16,680 Equity Shares (Previous Year : 22,16,680) of ₹ 10 each of Fort Gloster Industries Limited  | -                | -                |
| 20,943 Equity Shares (Previous Year : 20,943 ) of ₹ 10 each of Kilkotagiri and Thirumbadi Plantations Ltd.,  | 35.27            | 35.27            |
| 37 Equity Shares (Previous Year : 37) of ₹ 100 each of Placid Limited  | 0.01             | 0.01             |
|  | <b>50.90</b>     | <b>74.50</b>     |
| <b>Investments in Government securities (at amortised cost)</b>  |                  |                  |
| 6 Year National Savings Certificate  | 0.10             | 0.10             |
| <b>Total of Other Investments</b>  | <b>51.00</b>     | <b>74.60</b>     |
| <b>Total of Non-Current Investments</b>  | <b>91,212.93</b> | <b>76.59</b>     |
| <b>Current</b>   |                  |                  |
| <b>Unquoted</b>  |                  |                  |
| <b>Investments in Mutual Funds (at fair value through Profit or Loss)</b>  |                  |                  |
| Axis Bank Liquid Fund - Direct Growth - Nil units (Previous year 2,91,891 Units) of ₹ 10 each (NAV : ₹ Nil) (Previous Year : ₹ 2,073.52)                   | -                | 6,052.42         |
| HDFC Liquid Fund - Direct Growth - Nil Units (Previous Year 1,09,699 Units) of ₹ 10 each (NAV : ₹ Nil)(Previous Year : ₹ 3,678.29)                         | -                | 4,035.04         |
| ICICI Prudential Liquid Fund - Direct Growth - Nil Units (Previous Year 21,89,369 units of ₹ 10 each) (NAV : ₹ Nil ) (Previous Year ₹ 276.42).             | -                | 6,051.78         |
| Kotak Liquid Direct Plan - Growth Fund - Nil Units (Previous Year 1,59,866 Units) of ₹10 each (NAV : ₹ Nil ) (Previous Year ₹ 3,784.33)                    | -                | 6,049.85         |
| <b>Total of Current Investments</b>  | -                | <b>22,189.09</b> |
| <b>Total of Current and Non-current Investments</b>  | <b>91,212.93</b> | <b>22,265.68</b> |
| Aggregate cost of quoted investments   | 91,254.90        | 94.96            |
| Aggregate market value of quoted investments   | 40,673.80        | 39.22            |
| Aggregate amount of unquoted investments   | 37.37            | 22,035.37        |

\* 2,02,82,720 shares are pledged as security against 10.30%, Non-convertible debentures and Rupee Term Loan from Axis Finance Ltd.

\*\* Investment in associates are valued at ₹ Nil due to erosion in net worth of associate companies resulting in impairment of value recognised in earlier years. The cost of investment was ₹ 185.01 Lakhs



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  |   | As at              |                    |
|--|---|--------------------|--------------------|
|  |   | March 31, 2020     | March 31, 2019     |
| <b>Note 7</b>  | <b>LOANS</b>  |                    |                    |
|  | <b>Non-current</b>  | -                  | -                  |
|  | <b>Total of Non-current loans</b>   | -                  | -                  |
|  | <b>Current</b>  |                    |                    |
|  | <b>Unsecured considered good</b>  |                    |                    |
|  | a) Loan to employees  | 53.27              | 50.16              |
|  | b) Loans to related parties (Subsidiary)  | 244.95             | 872.64             |
|  | <b>Total of Current Loans</b>   | <b>298.22</b>      | <b>922.80</b>      |
|  | <b>Total of Current and Non-current Loans</b>                                     | <b>298.22</b>      | <b>922.80</b>      |
| <b>Note 8</b>  | <b>OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)</b> |                    |                    |
|  | <b>Non-current</b>  |                    |                    |
|  | Security deposit  | 189.39             | 178.95             |
|  | <b>Total Non-current Other Financial Assets</b>                                   | <b>189.39</b>      | <b>178.95</b>      |
|  | <b>Current</b>  |                    |                    |
|  | Security deposit  | 211.19             | 165.01             |
|  | <b>Total Other Current Financial Assets</b>                                       | <b>211.19</b>      | <b>165.01</b>      |
|  | <b>Total Non-current &amp; Current Other Financial Assets</b>                     | <b>400.58</b>      | <b>343.96</b>      |
| <b>Note 9</b>  | <b>OTHER NON-CURRENT ASSETS</b>   |                    |                    |
|  | Capital advances  | 191.38             | 636.22             |
|  | Deposit with customs  | 50.00              | 50.00              |
|  | Prepaid expenses  | 1.99               | 9.26               |
|  | <b>Total Other Non-Current Assets</b>   | <b>243.37</b>      | <b>695.48</b>      |
| <b>Note 10</b>   | <b>NON CURRENT TAX ASSETS (NET)</b>   |                    |                    |
|  | Advance tax / Tax paid at source (net of provision)*<br>(Refer Note No. 38(1)(b)) | 804.80             | 1,656.29           |
|  | <b>Total Non Current Tax Assets (Net)</b>   | <b>804.80</b>      | <b>1,656.29</b>    |
| * Provision for tax ₹ 4,842.82 Lakhs and Advance Tax ₹ 5,050.00 Lakhs is pertaining to current year. |   |                    |                    |
| <b>Note 11</b>   | <b>DEFERRED TAX ASSETS (NET)</b>  |                    |                    |
|  | Deferred tax liabilities on account of WDV of fixed assets                        | (12,010.41)        | (13,846.98)        |
|  |   | <b>(12,010.41)</b> | <b>(13,846.98)</b> |
|  | Deferred tax assets on account of:  |                    |                    |
|  | Disallowances under section 43B of Income Tax Act                                 | (656.10)           | (493.44)           |
|  | Adjustments to Ind AS   | (1,465.07)         | (1,420.96)         |
|  | Tax holiday period  | (2.46)             | (99.23)            |
|  | Provision for doubtful debts  | (168.45)           | (130.19)           |
|  |   | <b>(2,292.08)</b>  | <b>(2,143.82)</b>  |
|  | Total Deferred Tax Liabilities  | (9,718.32)         | (11,703.16)        |
|  | Less: MAT Credit Entitlement  | (14,393.35)        | (13,026.54)        |
|  | <b>Total Deferred Tax Assets (Net)</b>  | <b>4,675.03</b>    | <b>1,323.38</b>    |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|                            | As at            |                  |
|----------------------------|------------------|------------------|
|                            | March 31, 2020   | March 31, 2019   |
| <b>Note 12 INVENTORIES</b> |                  |                  |
| Raw Materials *            | 7,749.87         | 19,991.87        |
| Work in progress           | 645.27           | 522.00           |
| Finished Goods             | 7,975.86         | 3,443.27         |
| Stores and spares #        | 15,592.63        | 18,311.73        |
| Loose tools                | 317.33           | 291.55           |
| Stock at scrap             | 137.84           | 192.17           |
| <b>Total Inventories</b>   | <b>32,418.80</b> | <b>42,752.59</b> |

\* includes Raw Material in transit of ₹ 2.43 Lakhs (Previous Year : ₹ 1,224.36 Lakhs)

# includes Stores and Spares in transit of ₹ 338.38 Lakhs (Previous Year : ₹ 155.96 Lakhs)

| <b>Note 13 TRADE RECEIVABLES</b>   |                  |                  |
|------------------------------------|------------------|------------------|
| <b>Current</b>                     |                  |                  |
| Considered good - Secured          | 3,140.18         | 3,686.98         |
| Considered good - Unsecured *      | 7,001.02         | 12,575.68        |
| Credit impaired                    | 481.87           | 372.56           |
|                                    | 10,623.07        | 16,635.22        |
| Less: Allowances for credit losses | 481.87           | 372.56           |
| <b>Total Trade Receivables</b>     | <b>10,141.20</b> | <b>16,262.66</b> |

\* includes due from subsidiary of ₹ 19.70 Lakhs.

| <b>Note 14 CASH AND CASH EQUIVALENTS</b> |               |               |
|--|---------------|---------------|
| <b>Balance with banks</b>                |               |               |
| In Current account                       | 124.39        | 220.03        |
| Cash on hand                             | 17.47         | 5.47          |
| <b>Total Cash and Cash Equivalents</b>   | <b>141.86</b> | <b>225.50</b> |

| <b>Note 15 OTHER BANK BALANCES</b>         |               |               |
|--|---------------|---------------|
| In Unpaid Dividend Accounts                | 123.76        | 68.13         |
| In Margin Money Deposits against Guarantee | 127.88        | 230.45        |
| In Deposit Accounts *                      | -             | 12.63         |
| <b>Total Other Bank Balances</b>           | <b>251.64</b> | <b>311.21</b> |

\* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

| <b>Note 16 OTHER CURRENT ASSETS</b>                  |                 |                 |
|--|-----------------|-----------------|
| Advances other than capital advances                 |                 |                 |
| a) Payment to Vendors for supply of goods & services | 1,617.17        | 1,030.73        |
| <b>Others</b>  |                 |                 |
| a) Prepaid expenses                                  | 59.76           | 180.25          |
| b) Other Assets*                                     | 407.39          | 192.70          |
| c) Balances with Government authorities              | 278.07          | 12.05           |
| <b>Total Other Current Assets</b>                    | <b>2,362.39</b> | <b>1,415.73</b> |

\* includes net amount due from subsidiary company of ₹ 5.76 Lakhs.

| <b>Note 17 ASSETS CLASSIFIED AS HELD FOR SALE</b> |             |             |
|---|-------------|-------------|
| JFTC Plant  | 6.59        | 6.59        |
| <b>Total Assets Classified As Held For Sale</b>   | <b>6.59</b> | <b>6.59</b> |

**Note :**

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of above assets was determined using the market value approach.



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

|   | As at           |                 |
|---|-----------------|-----------------|
|   | March 31, 2020  | March 31, 2019  |
| <b>Note 18 EQUITY SHARE CAPITAL</b>   |                 |                 |
| <b>Authorized</b>   |                 |                 |
| 15,00,00,000 (Previous Year : 15,00,00,000) Equity Share ₹ 2/- each   | 3,000.00        | 3,000.00        |
| 65,00,000 (Previous Year : 65,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each | 6,500.00        | 6,500.00        |
| <b>Total</b>  | <b>9,500.00</b> | <b>9,500.00</b> |
| <b>Issued, Subscribed and Paid-Up</b>   |                 |                 |
| 6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares ₹ 2/- each fully paid up                            | 1,320.98        | 1,320.98        |
| <b>Total Equity Share Capital</b>   | <b>1,320.98</b> | <b>1,320.98</b> |

### Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

| Movements in equity share capital  | No. of Shares      | ₹ in Lakhs      |
|------------------------------------|--------------------|-----------------|
| <b>As at April 01, 2018</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |
| Shares issued during the year      | -                  | -               |
| Shares bought back during the year | -                  | -               |
| Redemption of shares               | -                  | -               |
| <b>As at March 31, 2019</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |
| Shares issued during the year      | -                  | -               |
| Shares bought back during the year | -                  | -               |
| Redemption of shares               | -                  | -               |
| <b>As at March 31, 2020</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |

### Details of shareholders holding more than 5% shares

| Name of shareholders  | As at          |              |                |              |
|---|----------------|--------------|----------------|--------------|
|   | March 31, 2020 |              | March 31, 2019 |              |
|   | No. of Shares  | % of Holding | No. of Shares  | % of Holding |
| Veer Enterprises Ltd.   | 1,06,59,054    | 16.14        | 1,06,29,054    | 16.09        |
| Shree Satyanarayan Investments Co. Ltd.                       | 1,03,95,973    | 15.74        | 1,03,62,973    | 15.69        |
| Nippon India Smallcap fund (formerly Reliance Small Cap Fund) | 42,78,015      | 6.48         | 42,38,015      | 6.42         |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**Note 19 STATEMENT OF CHANGES IN OTHER EQUITY****OTHER EQUITY**

| Particulars   | Reserves & Surplus       |                   |                            |                                |                  | Other Comprehensive Income | Total              |
|---|--------------------------|-------------------|----------------------------|--------------------------------|------------------|----------------------------|--------------------|
|   | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share Warrant Forfeited | General Reserve  |                            |                    |
| <b>Opening as on April 01, 2018</b>   | <b>14,572.54</b>         | <b>25,229.71</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(934.37)</b>            | <b>82,579.73</b>   |
| Profit for the year   | -                        | 29,605.58         | -                          | -                              | -                | -                          | 29,605.58          |
| Remeasurement of net defined benefit liability/asset ( net of tax )               | -                        | -                 | -                          | -                              | -                | 25.32                      | 25.32              |
| Dividends paid (including Dividend Distribution Tax)                              | -                        | (3,179.80)        | -                          | -                              | -                | -                          | (3,179.80)         |
| <b>Balance as on March 31, 2019</b>   | <b>14,572.54</b>         | <b>51,655.49</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,030.83</b> |
| <b>Opening as on April 01, 2019</b>   | <b>14,572.54</b>         | <b>51,655.49</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,030.83</b> |
| Profit for the year   | -                        | 27,640.04         | -                          | -                              | -                | -                          | 27,640.04          |
| Remeasurement of net defined benefit liability/asset (net of tax)                 | -                        | -                 | -                          | -                              | -                | (470.81)                   | (470.81)           |
| Dividends paid (including Dividend Distribution Tax) (including Interim Dividend) | -                        | (7,967.75)        | -                          | -                              | -                | -                          | (7,967.75)         |
| <b>Balance as on March 31, 2020</b>   | <b>14,572.54</b>         | <b>71,327.78</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(1,379.86)</b>          | <b>1,28,232.31</b> |

The Board of Directors of the Company at their meeting held on March 09, 2020, have declared an Interim Dividend of ₹ 5/- per Equity Share i.e. 250% on face value of ₹ 2/- per Equity Share fully paid up for the financial year ended March 31, 2020.

- Security Premium Account** : This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve** : This Reserve has been created in relation to issuance of debentures and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Equity Share Warrant Forfeited**: This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.
- General Reserve** : This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.
- Other Comprehensive Income**: Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|                |  | As at            |                  |
|----------------|--|------------------|------------------|
|                |  | March 31, 2020   | March 31, 2019   |
| <b>Note 20</b> | <b>NON CURRENT BORROWINGS</b>  |                  |                  |
|                | <b>Non-current Borrowings</b>  |                  |                  |
|                | <b>Secured at amortized cost</b>   |                  |                  |
|                | <b>Non-convertible Debentures (NCD)</b>  | <b>19,800.00</b> | -                |
|                | <b>Term Loans</b>  |                  |                  |
|                | a) From Banks  |                  |                  |
|                | Rupee Loans  | 10,000.00        | -                |
|                | Foreign Currency Loans   | 20,339.51        | 8,535.26         |
|                | b) Term Loans from Financial Institutions:   |                  |                  |
|                | Rupee Loans  | 7,500.00         |                  |
|                | Foreign Currency Loans   | -                | 1,627.30         |
|                | <b>Total term loans</b>  | <b>57,639.51</b> | <b>10,162.56</b> |
|                | Less: Unamortised value of transaction cost  | 311.99           | 62.00            |
|                | Less: Current maturities of Long Term Borrowings                                       | 12,441.76        | 4,047.36         |
|                | <b>Total Non-current Term Loans</b>  | <b>44,885.76</b> | <b>6,053.20</b>  |
|                | <b>Unsecured at amortized cost</b>   |                  |                  |
|                | <b>Other loans</b>   |                  |                  |
|                | i) From Others   |                  |                  |
|                | Interest Free Loan under Sales Tax Deferment Scheme from State Government of Karnataka | 7,737.06         | 9,210.83         |
|                | Add: Fair value adjustment due to Ind AS adoption                                      | 59.55            | 494.12           |
|                | Less: Current maturity of Long Term Borrowings   | 320.20           | 665.43           |
|                | <b>Total Other Loans</b>   | <b>7,476.41</b>  | <b>9,039.52</b>  |
|                | <b>Total Non-Current Borrowings</b>  | <b>52,362.17</b> | <b>15,092.72</b> |

### Nature of security

#### Non-Convertible Debentures

- 10.30% p.a. interest bearing 1980 debentures of face value of ₹ 10,00,000 each issued on a private placement basis. NCDs are redeemable at par in 5 equal instalments at the end of 15th, 27th, 39th, 51st and 60th month from the deemed date of allotment on 18.10.2019. NCDs are secured by way of first charge on the entire movable fixed assets of the Company pertaining to the Paper Division at Dandeli, which gives a security cover of minimum 1.25x ranking pari passu with other term loan facilities and pledge over 51% shares of M/S Andhra Paper Limited ranking pari passu with term loan facility availed from Axis Finance Limited.

#### Term loan

- Loan from Axis Finance Limited is secured by way of first charge on the company's movable fixed assets ranking pari passu with Standard Chartered Bank (SCB) and Axis Bank Limited and pledge over 51% shares of M/s Andhra Paper Limited ranking pari passu basis with Non Convertible Debentures.
- Loan from Axis Bank Limited is secured by way of first charge on the movable fixed assets including plant & machinery of Paper Division at Dandeli, which gives a security cover of minimum 1.25x ranking pari passu with other term loan facilities and SCB working capital facility.
- ECB Euro Loan from Standard Chartered Bank (SCB) is secured by way of a first charge on the movable fixed assets of the Company pertaining to the Paper Division at Dandeli ranking pari passu with other term loan facilities and SCB working capital facility.
- ECB loan is repaid by way of taking over of balance USD 9.97 Million by Axis Bank Ltd from SCB is secured by way of first charge on company's movable fixed assets including plant & machinery of Paper Division at Dandeli, ranking pari passu with Axis Bank Limited.



# Notes on Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Terms of repayment of term loan and other loans

### As at March 31, 2020

| Particulars  | Amount Outstanding | Period                     | Terms of Repayment   |
|--|--------------------|----------------------------|--|
| <b>Non-Convertible Debentures (10.30% p.a.)</b>                    | 19,800.00          | Oct 2019 - Oct 2024        | Yearly instalments   |
| <b>Rupee Loan:</b>   |                    |                            |  |
| Axis Bank Ltd. (6 months MCLR + 0.75%)                             | 10,000.00          | July 2019 - July 2024      | Monthly instalments  |
| Axis Finance Ltd. (10.20% p.a.)                                    | 7,500.00           | Sep 2020 - Sep 2024        | Six monthly instalments  |
| <b>Foreign Currency Loan:</b>                                      |                    |                            |  |
| Standard Chartered Bank - ECB € Loan<br>(3 months EURIBOR + 2.25%) | 13,710.54          | May 2019 - April 2024      | Quarterly instalments  |
| Axis Bank Limited - ECB \$ Loan<br>(3 months LIBOR + 1.75%)        | 6,628.97           | Feb 2020 - Aug 2022        | Quarterly instalments  |
| Standard Chartered Bank - ECB \$ Loan<br>(3 months LIBOR + 1.75%)  | -                  | Aug 2017 - Feb 2020        | Quarterly instalments<br>\$9.97 Million balance taken over by Axis Bank Ltd. |
| <b>Interest free - Sales tax Loan</b>                              | 7,737.06           | June - 2014 to June - 2025 | Yearly instalments   |
| <b>Total Term Loan</b>   | <b>65,376.57</b>   |                            |  |

### As at March 31, 2019

| Particulars   | Amount Outstanding | Period                     | Terms of Repayment      |
|---|--------------------|----------------------------|-------------------------|
| <b>Term Loans</b>   |                    |                            |                         |
| <b>Foreign Currency Loan:</b>                                     |                    |                            |                         |
| IFC, Washington (4.37% p.a.)                                      | 1,627.30           | June - 2007 to July - 2019 | Six monthly instalments |
| Standard Chartered Bank - ECB \$ Loan<br>(3 months LIBOR + 1.75%) | 8,535.26           | Aug - 2017 to April - 2022 | Quarterly instalments   |
| Interest free - Sales tax Loan                                    | 9,210.83           | June - 2014 to June - 2025 | Yearly instalments      |
| <b>Total Term loan</b>  | <b>19,373.39</b>   |                            |                         |

|  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Note 21 OTHER FINANCIAL LIABILITIES</b>                         |                  |                  |
| <b>Non-current</b>   |                  |                  |
| Others -   |                  |                  |
| Dealer Deposits  | 3,998.42         | 3,982.88         |
| Deferred Government Grant  | 2,208.13         | 3,726.29         |
| Lease liability  | 53.59            | -                |
| <b>Total Non-Current Other Financial Liabilities</b>               | <b>6,260.14</b>  | <b>7,709.17</b>  |
| <b>Current</b>   |                  |                  |
| Current maturities of long term debts                              | 12,761.96        | 4,712.80         |
| Current maturities of Deferred Government Grant                    | 520.65           | 621.05           |
| Interest accrued but not due on borrowings                         | 538.71           | 74.73            |
| Unpaid dividend  | 123.76           | 68.13            |
| Other financial liabilities  | 6,932.39         | 6,994.88         |
| Payable on purchase of fixed assets                                | 879.03           | 1,053.70         |
| Lease liability  | 0.52             | -                |
| <b>Total Current Other Financial Liabilities</b>                   | <b>21,757.02</b> | <b>13,525.29</b> |
| <b>Total Non Current &amp; Current Other Financial Liabilities</b> | <b>28,017.16</b> | <b>21,234.46</b> |



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  |  | As at           |                  |
|--|--|-----------------|------------------|
|  |  | March 31, 2020  | March 31, 2019   |
| <b>Note 22</b>   | <b>PROVISIONS</b>  |                 |                  |
|  | <b>Non-current</b>   |                 |                  |
|  | Provision for Employee benefit                               | 500.77          | 374.50           |
|  | <b>Total Non-Current Provisions</b>                          | <b>500.77</b>   | <b>374.50</b>    |
|  | <b>Current</b>   |                 |                  |
|  | Provision for Employee benefit                               | 1,062.15        | 521.15           |
|  | <b>Total Current Provisions</b>                              | <b>1,062.15</b> | <b>521.15</b>    |
|  | <b>Total Non Current &amp; Current Provisions</b>            | <b>1,562.92</b> | <b>895.65</b>    |
| <b>Note 23</b>   | <b>OTHER NON-CURRENT LIABILITIES</b>                         |                 |                  |
|  | Decommissioning & Dismantling liability                      | 7,209.76        | 6,833.56         |
|  | <b>Total other Non-Current liabilities</b>                   | <b>7,209.76</b> | <b>6,833.56</b>  |
|  | <b>Reconciliation</b>  |                 |                  |
|  | Opening Balance  | 6,833.56        | 6,471.30         |
|  | Unwinding of discounts and effect of change in discount rate | 376.20          | 362.26           |
|  | Reduction arising from payments                              | -               | -                |
|  | <b>Closing balance</b>                                       | <b>7,209.76</b> | <b>6,833.56</b>  |
| <b>Note 24</b>   | <b>CURRENT BORROWINGS</b>                                    |                 |                  |
|  | <b>Current</b>   |                 |                  |
|  | <b>Secured</b>   |                 |                  |
|  | Loan repayable on demand from banks*                         | 8,838.56        | 15,867.98        |
|  | <b>Total Current Borrowings</b>                              | <b>8,838.56</b> | <b>15,867.98</b> |
| * The short term loans from Banks are secured by Joint Hypothecation of Stores, Spares, Raw Materials, Stock-in-process, Finished Goods, Book Debts etc., ranking pari-passu charge. |  |                 |                  |
| <b>Note 25</b>   | <b>TRADE PAYABLES</b>  |                 |                  |
|  | <b>Trade Payables</b>  |                 |                  |
|  | Micro and Small Enterprises [Refer Note no. 51]              |                 |                  |
|  | Other payables   | 463.45          | 8.81             |
|  | Due to subsidiaries  | -               | 80.24            |
|  | <b>Others</b>  |                 |                  |
|  | Other payables   | 7,393.57        | 17,900.33        |
|  | <b>Total Trade Payables</b>                                  | <b>7,857.02</b> | <b>17,989.38</b> |
| <b>Note 26</b>   | <b>OTHER CURRENT LIABILITIES</b>                             |                 |                  |
|  | Statutory liabilities  | 481.45          | 703.33           |
|  | Other liabilities  | 3,944.27        | 2,571.84         |
|  | <b>Total Other Current Liabilities</b>                       | <b>4,425.72</b> | <b>3,275.17</b>  |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at              |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| <b>Note 27 REVENUE FROM OPERATIONS</b>         |                    |                    |
| <b>Sales of Products</b>                       |                    |                    |
| Paper and Board                                | 1,86,579.35        | 1,85,120.71        |
| Cables   | 10,657.76          | 11,692.84          |
| Wind Power                                     | 14.11              | 18.66              |
| <b>Other Operating Revenues</b>                |                    |                    |
| Export Promotion Incentive                     | 88.48              | 103.64             |
| Scrap Sales                                    | 775.08             | 780.39             |
| <b>Total Revenue From Operations</b>           | <b>1,98,114.78</b> | <b>1,97,716.24</b> |
| <b>Note 28 REVENUE FROM TRADING OPERATIONS</b> |                    |                    |
| Revenue from trading operations                | 130.62             | 215.18             |
| <b>Total Revenue From Trading Operations</b>   | <b>130.62</b>      | <b>215.18</b>      |
| <b>Note 29 OTHER INCOME</b>                    |                    |                    |
| <b>Interest Income</b>                         |                    |                    |
| From Banks                                     | 81.42              | 16.84              |
| From Others                                    | 1,265.43           | 709.87             |
| <b>Other Non - Operating Income</b>            |                    |                    |
| Profit on sale of Property, Plant & Equipment  | 6.17               | 84.26              |
| Rent received                                  | 96.51              | 98.80              |
| Income from government grant                   | 537.48             | 621.05             |
| Profit on sale / fair value of Investment      | 1,651.80           | 189.09             |
| Liabilities and provisions written back        | 1,007.24           | 138.51             |
| Others   | 112.98             | 193.98             |
| <b>Total Other Income</b>                      | <b>4,759.03</b>    | <b>2,052.40</b>    |
| <b>Note 30 COST OF MATERIALS CONSUMED</b>      |                    |                    |
| Pulp Wood, Pulp & Waste Paper                  | 66,442.32          | 59,807.56          |
| Optical Fiber, PBT, HDPE & Others              | 6,595.07           | 8,644.75           |
| Chemicals & Dyes                               | 25,893.99          | 26,449.22          |
| Packing Materials                              | 5,450.87           | 5,658.59           |
| <b>Total Cost of Materials Consumed</b>        | <b>1,04,382.25</b> | <b>1,00,560.12</b> |
| <b>Note 31 PURCHASES OF STOCK IN TRADE</b>     |                    |                    |
| Purchase of trading goods                      | 90.02              | 183.24             |
| <b>Total Purchases Of Stock In Trade</b>       | <b>90.02</b>       | <b>183.24</b>      |

## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|                |  | As at             |                   |
|----------------|--|-------------------|-------------------|
|                |  | March 31, 2020    | March 31, 2019    |
| <b>Note 32</b> | <b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b> |                   |                   |
|                | <b>Opening Stock of Finished Goods</b>                               |                   |                   |
|                | - Paper and Board  | 3,111.36          | 1,389.24          |
|                | - O. F. C. Cables, etc.  | 331.91            | 155.36            |
|                |  | 3,443.27          | 1,544.60          |
|                | <b>Closing Stock of Finished Goods</b>                               |                   |                   |
|                | - Paper and Board  | 7,589.27          | 3,111.36          |
|                | - O. F. C. Cables, etc.  | 386.59            | 331.91            |
|                |  | 7,975.86          | 3,443.27          |
|                |  | (4,532.59)        | (1,898.67)        |
|                | <b>Opening Stock of Work-in-progress</b>                             | 522.00            | 223.92            |
|                | <b>Closing Stock of Work-in-progress</b>                             | 645.27            | (298.08)          |
|                |  | (123.27)          | (298.08)          |
|                | <b>Total Change In Inventory of Finished Goods &amp; WIP</b>         | <b>(4,655.86)</b> | <b>(2,196.75)</b> |

|                |  | As at            |                  |
|----------------|--|------------------|------------------|
|                |  | March 31, 2020   | March 31, 2019   |
| <b>Note 33</b> | <b>EMPLOYEE BENEFITS EXPENSE</b>         |                  |                  |
|                | Salaries, Wages, Bonus, Allowances, etc. | 13,921.56        | 11,652.40        |
|                | Contribution to Provident & Other Funds  | 1,102.24         | 1,087.08         |
|                | Staff Welfare Expense                    | 977.25           | 1,109.05         |
|                | <b>Total Employee Benefits Expense</b>   | <b>16,001.05</b> | <b>13,848.53</b> |

| <b>Note 34</b> |  | <b>FINANCE COSTS</b> |                 |
|----------------|--|----------------------|-----------------|
|                | Interest Expense :   |                      |                 |
|                | Term Loans   | 3,098.19             | 755.64          |
|                | Others   | 1,802.77             | 991.81          |
|                | Interest cost on Sales Tax Loan                                | 619.08               | 720.27          |
|                | Other Borrowing Costs  | 218.25               | 204.76          |
|                | Net Loss (Gain) on Foreign Currency Transactions & Translation | 1,466.05             | 251.50          |
|                | <b>Total Finance Costs</b>                                     | <b>7,204.34</b>      | <b>2,923.98</b> |

| <b>Note 35</b> |   | <b>DEPRECIATION AND AMORTISATION EXPENSE</b> |                  |
|----------------|---|--|------------------|
|                | Depreciation on Property, Plant and Equipment | 16,591.42                                    | 17,380.65        |
|                | Amortisation of Intangible Assets             | 43.01  | 145.46           |
|                | Amortisation on right to use of asset         | 2.09   | -                |
|                | <b>Total Depreciation and Amortisation</b>    | <b>16,636.52</b>                             | <b>17,526.11</b> |



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Note 36 OTHER EXPENSES</b>                                |                  |                  |
| Consumption of Stores & Spare Parts                          | 6,189.67         | 5,960.11         |
| Power, coal and water  | 17,529.83        | 17,771.10        |
| Rent   | 342.10           | 243.39           |
| Repair and maintenance of Buildings                          | 1,597.32         | 1,499.95         |
| Repair and maintenance of Plant and Machinery                | 1,521.52         | 1,638.45         |
| Repair and maintenance of Other Assets                       | 404.58           | 308.22           |
| Insurance  | 156.38           | 180.59           |
| Rates & Taxes  | 52.27            | 58.70            |
| Research & Development Expenses                              | 45.11            | 47.16            |
| Miscellaneous Expenses                                       | 2,790.24         | 1,977.26         |
| Payments to Auditors (Refer Note no. 52)                     | 33.40            | 35.46            |
| Foreign exchange variation                                   | 29.56            | 507.92           |
| Forwarding Charges on Sales                                  | 994.94           | 1,001.10         |
| Commission on Sales  | 743.12           | 1,125.43         |
| Bad Debts  | -                | 56.19            |
| Provision for doubtful debts (net)                           | 109.31           | -                |
| Provision for diminution in value of investment              | 23.59            | 25.82            |
| Commission to Director                                       | 1,309.26         | 1,457.13         |
| Directors' Fees  | 14.20            | 7.95             |
| Charity & Donations  | 32.10            | 35.32            |
| Corporate Social Responsibility Expenses (Refer Note no. 50) | 359.19           | 177.37           |
| Obsolete Assets Written Off / Discarded                      | -                | 482.24           |
| Loss on sale of Property, Plant & Equipment                  | 3.82             | 0.01             |
| Loss of stock due to fire (net)                              | 26.53            | -                |
| <b>Total Other Expenses</b>                                  | <b>34,308.04</b> | <b>34,596.87</b> |



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at             |                   |
|--|-------------------|-------------------|
|  | March 31, 2020    | March 31, 2019    |
| <b>Note 37 INCOME TAX EXPENSE</b>                        |                   |                   |
| <b>Current Tax Expense</b>                               |                   |                   |
| Current Tax on profits for the year                      | 4,842.82          | 6,799.99          |
| Current Tax on profits for earlier years                 | (93.15)           | -                 |
| MAT Credit Entitlement for the year                      | (1,231.51)        | (872.52)          |
| Mat Credit Entitlement for earlier years                 | (135.30)          | (1,256.10)        |
| <b>Total Current Tax Expense</b>                         | <b>3,382.86</b>   | <b>4,671.37</b>   |
| <b>Deferred Tax</b>                                      |                   |                   |
| <b>Decrease / (Increase) in deferred tax assets</b>      |                   |                   |
| Property, Plant and Equipments                           | (1,836.57)        | (1,649.39)        |
| <b>(Decrease) / Increase in deferred tax liabilities</b> |                   |                   |
| Disallowance under section 43B                           | (162.66)          | (45.60)           |
| Tax holiday period                                       | 96.77             | 258.06            |
| Carry Forward Losses                                     | -                 | -                 |
| Adjustments to Ind AS                                    | (44.11)           | (168.10)          |
| Long term Capital Loss                                   | -                 | -                 |
| Provision for doubtful debts                             | (38.26)           | (130.19)          |
| <b>Total Deferred Tax Expense / (Income)</b>             | <b>(1,984.83)</b> | <b>(1,735.22)</b> |
| <b>Total Income Tax Expense</b>                          | <b>1,398.03</b>   | <b>2,936.15</b>   |

### Note 38 CONTINGENT LIABILITIES AND COMMITMENTS

|   |          |          |
|---|----------|----------|
| <b>Contingent Liabilities &amp; Commitments</b>   |          |          |
| <b>a. Contingent Liabilities :</b>  |          |          |
| I. Claims against the Company not acknowledged as debts in respect of   |          |          |
| a. Income tax matters, pending decisions on various appeals made by the Company and by the Department (refer Note I below) (refund adjusted against demand ₹ 662 Lakhs Previous Year ₹ 1,958 Lakhs) | 3,117.08 | 1,551.00 |
| b. Excise matters & Service Tax under dispute   | 62.07    | 71.18    |
| c. Custom matter under dispute  | 540.27   | 540.27   |
| d. Sales Tax matter under dispute   | -        | 30.66    |
| e. Other matters under dispute  | 2,182.78 | 2,446.64 |
| II. Other money for which the company is contingently liable :  |          |          |
| a. Corporate Guarantee given to Subsidiary's Bankers (at the close of the year)   | 375.00   | 450.00   |
| <b>b. Commitments :</b>   |          |          |
| I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 195.91 Lakhs - Previous Year ₹ 285.28 Lakhs)                                 | 2,141.09 | 2,609.34 |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

## Notes :

### I. Income Tax

- The Income Tax assessments of the Company have been completed up to AY 2016-17.
- In the books of accounts, the company is accounting Income Tax refunds after adjustment of tax demands by Income Tax authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Company is contesting those tax demands/ disallowances at appropriate level. The company has therefore not recorded adjustment of taxes/order in books.
- MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:**  
The Company claimed deduction under Section 80-IA of the Income Tax Act 1961 in its return of income for Power Undertaking for financial year 1998-99 to 2019-20 and for Effluent ( Water ) treatment for financial year 2016-17 to 2019-20. The assessing officer disallowed the benefit of deductions at assessment stage. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favorable outcome.
- The total demand outstanding as on March 31, 2020 on account of Income Tax dues is ₹ 3,117 Lakhs (₹ 1,551 Lakhs), net of tax paid/adjusted under protest ₹ 662 Lakhs.

### Note 39 LOAN PURCHASE AGREEMENT

The Company had entered into a loan purchase agreement with ICICI Bank Ltd. for ₹ 4,000 Lakhs in respect of borrowings of Shree Rama Newsprint Limited (SRNL) after sale of its investment in shares of SRNL. The loan purchase agreement stipulates that upon occurrence of default ICICI Bank Ltd. will have "a right" to require the Company to purchase the loan outstanding of SRNL along with transfer of underlying security by ICICI Bank Ltd., to the Company. The outstanding balance as at March 31, 2020 of SRNL loan is ₹ 3,870 Lakhs with principal repayment due by June 30, 2025. The Company does not foresee any event of default, further the security value is significantly higher than the outstanding loan balance and hence no liability is envisaged in this respect.

|                |   | As at          |                |
|----------------|---|----------------|----------------|
|                |   | March 31, 2020 | March 31, 2019 |
| <b>Note 40</b> | <b>EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 :</b> |                |                |
|                | <b>Earnings</b>   |                |                |
|                | Profit for the year   | 27,640.04      | 29,605.57      |
|                | <b>Shares</b>   |                |                |
|                | Number of shares at the beginning of the period                         | 6,60,48,908    | 6,60,48,908    |
|                | Add : Shares issued during the period                                   | -              | -              |
|                | Total number of equity shares outstanding at the end of the period      | 6,60,48,908    | 6,60,48,908    |
|                | Weighted average number of equity shares outstanding during the period  | 6,60,48,908    | 6,60,48,908    |
|                | Earnings per share of par value ₹ 2 - Basic (₹)                         | 41.85          | 44.82          |
|                | Diluted (₹)   | 41.85          | 44.82          |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Note 41 RELATED PARTY DISCLOSURES AS PER IND AS 24

### I. Relationship :

#### a. Associate Company

- 1) Speciality Coatings and Laminations Ltd.

#### b. Subsidiary Company

- 1) West Coast Opticable Limited
- 2) Andhra Paper Ltd. (October 30, 2019 onwards)

#### c. Enterprises where principal shareholders have control

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investments Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust
- 5) Shree Ram Trust
- 6) The Marwar Textiles Agency Pvt. Ltd.
- 7) Kilkotagiri & Thirumbadi Plantations Ltd.

#### d. Key Management Personnel (KMP)

- 1) Shri S. K. Bangur, (Chairman & Managing Director)
- 2) Shri Rajendra Jain (Executive Director)
- 3) Shri Brajmohan Prasad (Company Secretary)

#### e. Relative of Key Management Personnel

- 1) Smt. Shashi Bangur
- 2) Shri Virendraa Bangur
- 3) Shri Saurabh Bangur

#### f. Company in which Director is common

- 1) Gloster Cables Ltd

#### g. Non-Executive/Independent Directors on the Board

- 1) Shri Saurabh Bangur
- 2) Smt. Shashi Bangur
- 3) Shri Virendraa Bangur (w.e.f. November 12, 2019)
- 4) Shri P N Kapadia
- 5) Lt. Gen. Utpal Bhattacharyya PVSM AVSM (Retd.)
- 6) Shri Krishna Kumar Karwa
- 7) Shri M. P. Taparia
- 8) Shri Amitav Kothari
- 9) Shri Sudarshan Somani

### II. The following is a summary of related party transactions

| Particulars                                   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| i. Rent paid to :                             |                |                |
| 1) Veer Enterprises Ltd.                      | 115.18         | 63.44          |
| 2) Shree Satyanarayan Investment Company Ltd. | 71.68          | 46.83          |
| 3) Siddhi Trade & Holdings Pvt. Ltd.          | 16.23          | 15.97          |
| 4) Shri S. K. Bangur                          | 22.41          | 21.35          |
| 5) Smt. Shashi Bangur                         | 4.80           | 0.80           |
| 6) The Marwar Textiles Agency Pvt Ltd         | 0.65           | 0.65           |
| ii. Charity & Donations :                     |                |                |
| 1) Rangnath Bangur Charitable Trust           | 30.00          | 30.00          |
| 2) Shree Rama Trust                           | 2.10           | 5.32           |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| iii. Compensation to KMP :<br>Salary & other Employee benefit to Directors and Executive Officers | 1,669.98       | 1,819.03       |
| iv. Compensation to Shri Virendraa Bangur   | 25.37          | 28.00          |
| v. Purchases from Gloster Cables Ltd.   | 114.24         | 241.74         |
| vi. Rent received from Gloster Cables Ltd.  | 10.80          | 10.80          |
| vii. Sales to Kilkotagiri & Thirumbadi Plantations Ltd.   | 1.87           | 2.47           |
| viii. Sales to West Coast Opticable Ltd.  | 233.61         | 183.88         |
| ix. Electricity, Water and other charges recovered from West Coast Opticable Ltd.                 | 24.07          | 30.82          |
| x. Rent received from West Coast Opticable Ltd.   | 31.39          | 28.32          |
| xi. Job work chagres paid to West Coast Opticable Ltd.  | 439.43         | 368.15         |
| xii. Gratuity expenses of West Coast Opticable Ltd.   | -              | 0.44           |
| xiii. ICD given to West Coast Opticable Ltd.  | -              | 941.00         |
| xiv. Repayment of ICD received from West Coast Opticable Ltd.                                     | 626.00         | 125.00         |
| xv. Interest on ICD received from West Coast Opticable Ltd.                                       | 24.50          | 70.94          |
| xvi. Service charges on Corporate Guarantee received from West Coast Opticable Ltd.               | -              | 0.17           |
| xvii. Rental expenses to Andhra Paper Ltd.  | 1.08           | -              |
| xviii. Professional charges recovered from Andhra Paper Ltd.                                      | 5.33           | -              |
| xix. Rent recovered from Andhra Paper Ltd.  | 1.51           | -              |

**III. The Company has the following amounts due to/from related parties :**

|   |        |        |
|---|--------|--------|
| i. Due to related Parties   |        |        |
| 1) West Coast Opticable Ltd.                                      | -      | 80.24  |
| 2) Andhra Paper Ltd. - Rental Expenses                            | 1.08   | -      |
| 3) Gloster Cables Ltd. - Purchases                                | 11.71  | 23.91  |
| ii. Due from related Parties                                      |        |        |
| 1) Veer Enterprises Ltd. - Security Deposit                       | 11.77  | 5.55   |
| 2) Shree Satyanarayan Investments Company Ltd. - Security Deposit | 21.10  | 6.60   |
| 3) Smt. Shashi Bangur - Security Deposit                          | 2.40   | 2.40   |
| 4) Kilkotagiri & Thirumbadi Plantations Ltd. - Sales              | 3.67   | 4.62   |
| 5) West Coast Opticable Ltd. - Unsecured Loans - ICD              | 240.00 | 866.00 |
| 6) West Coast Opticable Ltd.- Trade Payables                      | 18.30  | -      |
| 7) West Coast Opticable Ltd.- Interest on ICD                     | 4.95   | 6.64   |
| 8) Andhra Paper Ltd. - Professional charges                       | 5.33   | -      |
| 9) Andhra Paper Ltd. - Rental Expenses                            | 1.51   | -      |

**Note 42 EARNINGS IN FOREIGN CURRENCY**

|                             |          |          |
|-----------------------------|----------|----------|
| Export on FOB/CIF/CFR basis | 2,971.73 | 2,073.89 |
|-----------------------------|----------|----------|

## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Note 43 EMPLOYEE BENEFIT PLANS

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

#### [A] Defined Contribution Plan

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

| Particulars  | For the year |         |
|--|--------------|---------|
|  | 2019-20      | 2018-19 |
| Employer's Contribution to Provident Fund/Pension Fund | 866.63       | 794.50  |
| Employer's Contribution to Superannuation Fund         | 35.14        | 37.90   |

#### [B] Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| Particulars                          | For the year |          |
|--------------------------------------|--------------|----------|
|                                      | 2019-20      | 2018-19  |
| Opening defined benefit obligation   | 3032.20      | 2968.47  |
| Current Service cost                 | 158.34       | 152.30   |
| Interest Cost                        | 235.30       | 233.92   |
| Benefits paid                        | (114.30)     | (248.51) |
| Actuarial losses/(gain)              | 397.13       | (73.98)  |
| Obligations at the end of the period | 3,708.67     | 3,032.20 |

#### Change in Plan Assets

|  |          |          |
|--|----------|----------|
| Opening fair value of plan assets                | 2881.69  | 2927.06  |
| Interest income on plan assets                   | 223.62   | 230.65   |
| Return on Plan Assets, excluding interest income | (73.67)  | (48.66)  |
| Contributions by employer                        | 113.20   | 247.85   |
| Assets transferred out / divestments             | -        | (226.70) |
| Benefits paid                                    | (114.30) | (248.51) |
| Closing fair value of plan assets                | 3,030.54 | 2,881.69 |

#### Amount recognized in Balance Sheet

|                                     |          |          |
|-------------------------------------|----------|----------|
| Present value of funded obligations | 3,708.67 | 3,032.20 |
| Fair Value of Plan Asset            | 3,030.54 | 2,881.69 |
| Net Asset / (Liability)             | (678.13) | (150.51) |

#### Expense recognised in statement of Profit and Loss Account

|  |          |          |
|--|----------|----------|
| Current service cost   | 158.34   | 152.30   |
| Interest Cost  | 235.3    | 233.92   |
| Interest income on plan assets                               | (223.62) | (230.65) |
| Net Income/Expenses recognized in Statement of Profit & Loss | 170.02   | 155.56   |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Expense recognised in OCI

| Particulars  | For the year |         |
|--|--------------|---------|
|  | 2019-20      | 2018-19 |
| Actuarial (Gain) / Losses on Obligation for the period | 397.14       | (73.98) |
| Return on Plan Assets, Excluding Interest Income       | 73.67        | 48.66   |
| Net (Income)/Expenses recognized in OCI                | 470.81       | (25.32) |

## Sensitivity Analysis

|   |          |          |
|---|----------|----------|
| Effect of +1% increase in discount rate     | (189.25) | (154.71) |
| Effect of -1% decrease in discount rate     | 213.42   | 174.05   |
| Effect of +1% increase in Salary rate       | 224.20   | 184.52   |
| Effect of -1% decrease in Salary rate       | (201.38) | (165.98) |
| Effect of +1% increase in Employee turnover | 101.89   | 100.77   |
| Effect of -1% decrease in Employee turnover | (111.70) | (110.30) |

## Maturity Profile of projected benefit obligation from the fund

|                           |          |          |
|---------------------------|----------|----------|
| 1st following year        | 936.03   | 724.12   |
| 2nd following year        | 220.24   | 195.72   |
| 3rd following year        | 366.26   | 266.24   |
| 4th following year        | 345.90   | 298.27   |
| 5th following year        | 300.13   | 305.05   |
| Sum of years 6 to 10      | 1,307.30 | 1,128.49 |
| Sum of years 11 and above | 2,458.71 | 2,322.43 |

## Category of Plan Assets

| Managed by:                     |        |         |
|---------------------------------|--------|---------|
| LIC                             | 56.43% | 55.23 % |
| Aditya Birla Capital            | 1.83%  | 1.83 %  |
| ICICI Prudential Life Insurance | 41.74% | 42.94 % |

## Financial assumptions at the valuation date

|   |       |        |
|---|-------|--------|
| Discount rate   | 6.83% | 7.76 % |
| Estimated rate of return on Plan assets                     | 6.83% | 7.76 % |
| Salary escalation over and above highest of salary in grade | 1.00% | 1.00 % |

## Note 44 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (₹)

| Particulars  | As at 2019-20    |                    | As at 2018-19    |
|--|------------------|--------------------|------------------|
|  | Final of 2018-19 | Interim of 2019-20 | Final of 2017-18 |
| Number of non-resident shareholders                      | 464              | 488                | 302              |
| Number of shares held by them on which dividend was paid | 2,88,340         | 2,86,769           | 2,23,350         |
| Amount remitted - net of tax (₹ lakhs)                   | 14.42            | 14.34              | 8.93             |

## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Note 45 SEGMENT INFORMATION

Pursuant to Accounting Ind AS 108 – Segment Reporting, information about Business Segments (Information provided in respect of revenue items for the year ended March 31, 2020 and in respect of assets / liabilities as at March 31, 2020 is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “Unallocable”

| Particulars                              | Paper              |                    | Cables           |                  | Others        |               | Unallocable       |                   | Total              |                    |
|--|--------------------|--------------------|------------------|------------------|---------------|---------------|-------------------|-------------------|--------------------|--------------------|
|  | 2019-20            | 2018-19            | 2019-20          | 2018-19          | 2019-20       | 2018-19       | 2019-20           | 2018-19           | 2019-20            | 2018-19            |
| <b>Segment Revenue</b>                   |                    |                    |                  |                  |               |               |                   |                   |                    |                    |
| Turnover                                 | 1,87,371.62        | 1,86,100.50        | 10,859.67        | 11,812.26        | 14.11         | 18.66         | -                 | -                 | 1,98,245.40        | 1,97,931.42        |
| <b>Total Turnover</b>                    | <b>1,87,371.62</b> | <b>1,86,100.50</b> | <b>10,859.67</b> | <b>11,812.26</b> | <b>14.11</b>  | <b>18.66</b>  | -                 | -                 | <b>1,98,245.40</b> | <b>1,97,931.42</b> |
| Segment result before Interest and Taxes | 33,635.01          | 34,955.33          | 2,028.70         | 1,730.11         | (1.46)        | (5.27)        | -                 | -                 | 35,662.25          | 36,680.17          |
| Less : Finance Cost                      | -                  | -                  | -                | -                | -             | -             | 7,204.34          | 2,923.98          | 7,204.34           | 2,923.98           |
| Less : Other expenditure                 | -                  | -                  | -                | -                | -             | -             | (580.16)          | 1,214.47          | (580.16)           | 1,214.47           |
| Profit Before Tax                        | 33,635.01          | 34,955.33          | 2,028.70         | 1,730.11         | (1.46)        | (5.27)        | (6,624.18)        | (4,138.45)        | 29,038.07          | 32,541.72          |
| Current Tax                              | -                  | -                  | -                | -                | -             | -             | 4,749.67          | 6,799.99          | 4,749.67           | 6,799.99           |
| MAT Credit                               | -                  | -                  | -                | -                | -             | -             | (1,366.81)        | (2,128.62)        | (1,366.81)         | (2,128.62)         |
| Deferred Tax                             | -                  | -                  | -                | -                | -             | -             | (1,984.83)        | (1,735.22)        | (1,984.83)         | (1,735.22)         |
| <b>Profit for the year</b>               | <b>33,635.01</b>   | <b>34,955.33</b>   | <b>2,028.70</b>  | <b>1,730.11</b>  | <b>(1.46)</b> | <b>(5.27)</b> | <b>(8,022.21)</b> | <b>(7,074.60)</b> | <b>27,640.04</b>   | <b>29,605.57</b>   |
| <b>Other Informations</b>                |                    |                    |                  |                  |               |               |                   |                   |                    |                    |
| Segment Assets                           | 2,32,977.10        | 1,81,461.31        | 6,798.31         | 10,031.20        | 51.19         | 48.22         | -                 | -                 | 2,39,826.60        | 1,91,540.73        |
| Segment Liabilities                      | 1,09,689.56        | 78,712.71          | 583.75           | 2,476.21         | -             | -             | -                 | -                 | 1,10,273.31        | 81,188.92          |
| Capital Expenditure                      | 10,025.63          | 15,354.86          | 513.91           | 1,030.41         | -             | -             | -                 | -                 | 10,539.54          | 16,385.27          |
| Depreciation/ Amortisation               | 16,520.42          | 17,417.68          | 116.03           | 105.27           | 0.08          | 3.16          | -                 | -                 | 16,636.52          | 17,526.11          |

**Note 46** Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement of ₹ 1231.51 lakhs (Previous year ₹ 872.52 lakhs) has been recognized.

### Note 47 EVENT OCCURRING AFTER BALANCE SHEET DATE

#### Dividend proposed to be distributed

| Particulars  | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Dividend proposed for equity share holders @ ₹ Nil per share (Previous Year ₹ 5/- per share) | -              | 3302.45        |
| Dividend Distribution Tax  | -              | 678.82         |



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**Note 48 INTERIM DIVIDEND****Interim Dividend Paid during 2019-20**

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Interim Dividend paid to equity share holders @ ₹ 5/- per share<br>(Previous Year ₹ Nil per share) | 3302.45            | -              |
| Dividend Distribution Tax  | 678.82             | -              |

**Note 49** As per Ind AS 41 on "Agriculture" the company has fair valued its matured crops except for the crops fully matured at its Kuluwali plantation, Karnataka, since there is an on-going litigation and same will be accounted in the books of accounts upon the final disposal of the case.

**Note 50 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES**

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule VII are as below

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Gross amount required to be spent by the Company during the year               | 663.80             | 362.78         |
| Amount spent during the year (including previous carried forward of last year) | 359.19             | 177.37         |
| Promotion of Art & Culture   | 19.69              | 19.35          |
| Promotion of Social Activities and Creation of Infrastructure                  | 18.77              | 63.44          |
| Health Care  | 14.31              | 2.70           |
| Sports and Games   | 11.44              | 5.57           |
| Others   | 294.98             | 86.31          |
|  | <b>359.19</b>      | <b>177.37</b>  |

**Note 51 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006**

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| a. Principal amount remaining unpaid to suppliers at the end of the year  | 463.45         | 89.05          |
| b. Interest due thereon remaining unpaid to suppliers at the end of the year                                    | -              | -              |
| c. The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day | -              | -              |
| d. The amount of interest due and payable   | -              | -              |
| e. The amount of interest accrued and remaining unpaid at the end of accounting year                            | -              | -              |
|   | <b>463.45</b>  | <b>89.05</b>   |



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2020     | March 31, 2019 |
| <b>Note 52 OTHER DISCLOSURE REQUIRED BY STATUTE</b> |                    |                |
| <b>Auditors Remuneration ( including taxes)</b>     |                    |                |
| <b>1. Statutory Auditors</b>                        |                    |                |
| i. Audit Fees #                                     | 18.00              | 21.00          |
| ii. Limited review under listing agreement          | 3.00               | 3.75           |
| iii. Taxation Matters                               | 5.00               | 5.00           |
| vi. Reimbursement of Expenses                       | 6.15               | 4.36           |
|   | <b>32.15</b>       | <b>34.11</b>   |
| <b>2. Cost Auditors</b>                             |                    |                |
| i. Audit Fee  | 1.20               | 1.30           |
| ii. Reimbursement of Expenses                       | 0.05               | 0.05           |
|   | <b>1.25</b>        | <b>1.35</b>    |

# Includes ₹ 3.75 lakhs relating to Financial Year 2017-18

### Note 53 INCOME TAX

#### a Amount recognised in Statement of Profit and Loss

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Current Income Tax</b>   |                 |                 |
| - Current Year  | 4,749.67        | 6,799.99        |
| - MAT Credit Entitlement / Reversed                                   | (1,366.81)      | (2,128.62)      |
| Deferred Tax  | (1,984.83)      | (1,735.22)      |
| <b>Income Tax Expense reported in the Statement of Profit or Loss</b> | <b>1,398.03</b> | <b>2,936.15</b> |

#### b Reconciliation of Effective Tax Rate

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Profit Before Tax</b>   | 29,038.08       | 32,541.72       |
| Enacted Income Tax Rate  | 34.944%         | 34.944%         |
| Tax At applicable Statutory Income Tax Rate                        | 10,147.06       | 11,371.37       |
| Effect of Various Disallowance of expenses                         | 159.69          | 171.27          |
| Effect of Deduction under chapter VIA of IT Act                    | (4,923.96)      | (5,150.12)      |
| Effect of reinstatement of DTL while Ind AS adoption               | (105.89)        | 230.35          |
| Effect of Ins AS Adjustments to reduce DTL                         | (213.51)        | (168.10)        |
| Effect of timing differences in DTL for taxes & Depreciation       | (167.82)        | 503.74          |
| Other Differences  | (145.91)        | (158.52)        |
| <b>Tax Expense recognised in Statement of Profit &amp; Loss</b>    | <b>4,749.67</b> | <b>6,799.99</b> |
| <b>Effective Tax Rate (Actual or MAT rate whichever is higher)</b> | <b>16.36%</b>   | <b>20.90%</b>   |

### Note 54 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

The company is listed on stock exchange in India, the Company has prepared consolidated financial as required under Ind AS110, Section 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Note 55 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Categories of Financial Instruments

#### Financial Assets

| Sl. No.  | Particulars   | Note | As at          |             |                |             |
|----------|---|------|----------------|-------------|----------------|-------------|
|          |   |      | March 31, 2020 |             | March 31, 2019 |             |
|          |   |      | Carrying Value | Fair Value* | Carrying Value | Fair Value* |
| <b>1</b> | <b>Financial Assets Designated at Fair Value through Profit or Loss</b>             |      |                |             |                |             |
| i)       | Derivatives - not designated as hedging instruments                                 |      | -              | -           | -              | -           |
| ii)      | Investment in Equity Shares   | 6    | 15.62          | 15.62       | 39.22          | 39.22       |
| iii)     | Investment in Mutual Funds  | 6    | -              | -           | 22,189.09      | 22,189.09   |
| <b>2</b> | <b>Financial Assets designated at Fair Value through Other Comprehensive Income</b> |      |                |             |                |             |
| i)       | Investment in Equity Shares   |      | -              | -           | -              | -           |
| <b>3</b> | <b>Financial Assets designated at Amortised Cost</b>                                |      |                |             |                |             |
| i)       | Investment in Equity Shares   | 6    | 35.28          | 35.28       | 35.28          | 35.28       |
| ii)      | Investment in Government securities   | 6    | 0.10           | 0.10        | 0.10           | 0.10        |
| iii)     | Trade receivables   | 13   | 10,141.20      | 10,141.20   | 16,262.66      | 16,262.66   |
| iv)      | Cash and Cash Equivalents   | 14   | 141.86         | 141.86      | 225.50         | 225.50      |
| v)       | Other Bank Balances   | 15   | 251.64         | 251.64      | 311.21         | 311.21      |
| vi)      | Other receivables   | 16   | 278.07         | 278.07      | 12.05          | 12.05       |
| <b>4</b> | <b>Investment in subsidiary company</b>   | 6    | 91,161.93      | 91,161.93   | 1.99           | 1.99        |

\* There are no Financial Assets or Liabilities which fall under level 2 &amp; 3.

#### Financial Liabilities

|          |  |          |           |           |           |           |
|----------|--|----------|-----------|-----------|-----------|-----------|
| <b>1</b> | <b>Financial Liability Designated at Fair Value through Profit or Loss</b> |          |           |           |           |           |
| i)       | Derivatives - not designated as hedging instruments                        |          | -         | -         | -         | -         |
| <b>2</b> | <b>Financial Liability designated at Amortised Cost</b>                    |          |           |           |           |           |
| i)       | Borrowings   | 20,21,24 | 73,962.69 | 73,962.69 | 35,673.50 | 35,673.50 |
| ii)      | Trade payables   | 25       | 7,857.02  | 7,857.02  | 17,989.38 | 17,989.38 |
| iii)     | Other financial liability  | 21       | 11,593.28 | 11,593.28 | 11,120.62 | 11,120.62 |
| iv)      | Lease Liability  | 21       | 53.59     | 53.59     | -         | -         |

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

## Note 56 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES

### 1 Financial Risk

The company's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

### a Foreign currency risk and sensitivity

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

| Particulars                     | USD/Euro outstanding in terms of ₹ in Lakhs |                  |
|---------------------------------|---|------------------|
|                                 | March 31, 2020                              | March 31, 2019   |
| <b>Financial Assets</b>         |   |                  |
| Trade receivables               | 14.81                                       | 140.20           |
| <b>Financial Liabilities</b>    |   |                  |
| Trade payables                  | 81.47                                       | 9,006.55         |
| Borrowings                      | 20,339.51                                   | 10,100.56        |
| Interest Accrued but not due    | 109.50                                      | 74.73            |
| <b>Net Assets / Liabilities</b> | <b>20,545.29</b>                            | <b>19,322.04</b> |

The following significant exchange rates have been applied:

(Currency in ₹)

| Particulars | As at          |                |
|-------------|----------------|----------------|
|             | March 31, 2020 | March 31, 2019 |
| USD         | 75.63          | 69.16          |
| Euro        | 82.83          | 77.78          |

### Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax

| Particulars     | 2019-20        |                | 2018-19        |                |
|-----------------|----------------|----------------|----------------|----------------|
|                 | 0.25% increase | 0.25% decrease | 0.25% increase | 0.25% decrease |
| USD Sensitivity | 51.36          | (51.36)        | 47.47          | (47.47)        |

Summary of Exchange difference accounted in Statement of Profit and Loss :

| Particulars   | Year ended      |                |
|---|-----------------|----------------|
|   | March 31, 2020  | March 31, 2019 |
| <b>Currency fluctuations</b>                                    |                 |                |
| Net foreign exchange (gain)/ losses shown as operating expenses | 29.56           | 507.92         |
| Net foreign exchange (gain)/ losses shown as Finance Cost       | 1,466.05        | 251.50         |
| <b>Total</b>  | <b>1,495.61</b> | <b>759.42</b>  |

### b. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

### Interest rate risk exposure

| Particulars              | As at            |             |                  |             |
|--------------------------|------------------|-------------|------------------|-------------|
|                          | March 31, 2020   |             | March 31, 2019   |             |
| Fixed Rate borrowings    | -                | -           | -                | -           |
| Variable Rate borrowings | 20,339.51        | 100%        | 10,100.56        | 100%        |
| <b>Total</b>             | <b>20,339.51</b> | <b>100%</b> | <b>10,100.56</b> | <b>100%</b> |

### Sensitivity on variable rate borrowings

| Particulars                     | Impact on               |                |                |                |
|---------------------------------|-------------------------|----------------|----------------|----------------|
|                                 | Profit and Loss Account |                | Equity         |                |
|                                 | March 31, 2020          | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Interest rate increase by 0.25% | 50.85                   | 25.25          | 50.85          | 25.25          |
| Interest rate decrease by 0.25% | (50.85)                 | (25.25)        | (50.85)        | (25.25)        |

#### ii Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 7001.02 Lakhs and ₹ 12,575.68 Lakhs as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

| Particulars                     | Year ended     |                |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2020 | March 31, 2019 |
| Revenue from top customer       | 6.56%          | 5.48%          |
| Revenue from top five customers | 25.18%         | 24.12%         |

#### a Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended March 31, 2020 was ₹ 481.87 Lakhs

| Particulars                                  | As at          |                |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| Balance at the beginning                     | 372.56         | 397.75         |
| Impairment loss reversed                     | (15.91)        | (25.19)        |
| Additional provision created during the year | 125.22         | -              |
| <b>Balance at end</b>                        | <b>481.87</b>  | <b>372.56</b>  |

## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### b Ageing analysis of Trade Receivables

| Particulars | As at          |               |               |                 |                |               |               |                 |
|-------------|----------------|---------------|---------------|-----------------|----------------|---------------|---------------|-----------------|
|             | March 31, 2020 |               |               |                 | March 31, 2019 |               |               |                 |
|             | Not due        | Upto 6 months | 6 - 12 months | Above 12 months | Not due        | Upto 6 months | 6 - 12 months | Above 12 months |
| Unsecured   | 7,043.96       | 2,223.34      | 275.54        | 598.36          | 14,046.62      | 1,892.20      | 40.28         | 283.56          |

### iii Liquidity Risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020

| Particulars                           | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total     |
|---------------------------------------|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current                  | 21,600.52       | 21,600.52        | -           | -                 | 21,600.52 |
| Borrowings - Non-current              | 52,362.17       | -                | 52,362.17   | -                 | 52,362.17 |
| Trade payables                        | 7,857.02        | 7,857.02         | -           | -                 | 7,857.02  |
| Other financial liabilities - Current | 7,576.71        | 7,576.71         | -           | -                 | 7,576.71  |
| Trade deposits                        | 3,998.42        | -                | 3,998.42    | -                 | 3,998.42  |
| Interest accrued but not due on loans | 538.71          | 538.71           | -           | -                 | 538.71    |
| Lease Liability                       | 53.59           | 0.52             | 3.49        | 49.58             | 53.59     |

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019

| Particulars                           | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total     |
|---------------------------------------|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current                  | 20,580.78       | 20,580.78        | -           | -                 | 20,580.78 |
| Borrowings - Non-current              | 15,092.72       | -                | 11,627.11   | 3,465.61          | 15,092.72 |
| Trade payables                        | 17,989.38       | 17,989.38        | -           | -                 | 17,989.38 |
| Other financial liabilities - Current | 7,684.06        | 7,684.06         | -           | -                 | 7,684.06  |
| Trade deposits                        | 3,982.88        | -                | 3,982.88    | -                 | 3,982.88  |
| Interest accrued but not due on loans | 74.73           | 74.73            | -           | -                 | 74.73     |
| Lease Liability                       | -               | -                | -           | -                 | -         |

## 2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

## 3 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.



# Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | As at              |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| Borrowings   | 73,962.69          | 35,673.50          |
| Less: Cash and Cash Equivalents including bank balance | 141.86             | 225.50             |
| Less: Current Investments                              | -                  | 22,189.09          |
| <b>Net Debt</b>  | <b>73,820.83</b>   | <b>13,258.91</b>   |
| Equity   | 1,29,553.29        | 1,10,351.81        |
| <b>Capital and Net Debt</b>                            | <b>2,03,374.12</b> | <b>1,23,610.72</b> |
| Gearing Ratio {Net debt / Capital and net debt}        | 36.30%             | 10.73%             |

## Note 57 DERIVATIVE FINANCIAL INSTRUMENTS

- a The company has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the company has entered into, fix pay and variable receipt, interest rate swaps, these swap contracts are in US Dollar. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

| Particulars | As at          |                 |                |                |
|-------------|----------------|-----------------|----------------|----------------|
|             | March 31, 2020 |                 | March 31, 2019 |                |
|             | FC in Mn       | MTM in ₹ Lakhs  | FC in Mn       | MTM in ₹ Lakhs |
| US Dollar   | 0.375          | (120.59)        | 0.375          | (82.62)        |
|             | <b>0.375</b>   | <b>(120.59)</b> | <b>0.375</b>   | <b>(82.62)</b> |

- b **Foreign currency exposure not hedged as at the Balance Sheet date**

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

| Particulars | As at          |                  |                |                  |
|-------------|----------------|------------------|----------------|------------------|
|             | March 31, 2020 |                  | March 31, 2019 |                  |
|             | FC in Mn       | MTM in ₹ Lakhs   | FC in Mn       | MTM in ₹ Lakhs   |
| US Dollar*  | 8.63           | 6,511.33         | 24.01          | 16,911.29        |
| Euro        | 16.55          | 13,710.54        | 0.27           | 211.25           |
| JPY         | 27.08          | 188.53           | -              | -                |
| SEK         | -              | -                | 5.82           | 450.84           |
| CHF         | -              | -                | 0.54           | 375.23           |
|             | <b>52.26</b>   | <b>20,410.40</b> | <b>30.64</b>   | <b>17,948.61</b> |

\* Net of receivables - US Dollar 0.016 Million - ₹ 12.14 Lakhs (Previous Year US Dollar 0.17 Mn - ₹ 1,118.96 Lakhs)

## Note 58 CHANGE IN ACCOUNTING POLICY ON LEASES

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 using the modified Prospective approach, under which Right-of-use assets as at April 01, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 viz 9.20% for measuring the lease liability. The Company has applied the below practical expedients:

- The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
- The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to ₹ 56.91 lakhs .



## Notes to Standalone Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Impact of Ind AS 116 on the statement of profit and loss       | Year ended<br>March 31, 2020 |
|--|------------------------------|
| Interest on lease liabilities                                  | 5.33                         |
| Depreciation on right of use assets                            | 2.09                         |
| Less: Lease rental paid  | 5.81                         |
| Less : Amortisation of prepayment of leasehold land            | 0.00                         |
| <b>Impact on the statement of profit and loss for the year</b> | <b>1.61</b>                  |

### Note 59 COVID-19 (GLOBAL PANDEMIC)

In view of nationwide lock down due to COVID-19, operations of the Company at its manufacturing locations and marketing offices were temporarily suspended in compliance of Government Orders w.e.f. March 26, 2020. Based on approval received on continuous process plant, manufacturing operations at Dandeli restarted w.e.f. April 04, 2020. Due to this disruption, during the quarter the company's production as well as sales were impacted. Due to COVID 19, the demand for Paper has got impacted in short term and is expected to improve in Q2 FY 21.

The Company has made an assessment of possible impacts that may result from the COVID-19 pandemic on the carrying value of Property Plant & Equipments, Investments, MAT credit entitlements and other current and non-current assets, considering the internal and external information available and has concluded that no material adjustments are required at this stage in the financial statements. However, due to uncertainties around COVID 19, the eventual impact of COVID-19 may differ from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor any material changes to future economic conditions.

### Note 60 ACQUISITION OF ANDHRA PAPER LTD.

Pursuant to Share Purchase Agreement dated May 29, 2019, the Company acquired on October 29, 2019 1,39,02,025 equity shares of ₹10/- each from International Paper Investments (Luxembourg) S.a.r.l and 79,71,496 equity shares of ₹ 10/- each from IP International Holdings Inc. aggregating 55% of the paid up share capital of International Paper APPM Ltd (IPAPPM). In terms of Letter of Offer dated August 30, 2019, the Company acquired 68,39,879 equity shares of ₹ 10/- each representing 17.20% of the paid up share capital of IPAPPM from public shareholders on October 11, 2019. Consequently, IPAPPM has become a subsidiary of the Company. W.e.f. January 9, 2020, the name of IPAPPM has been changed to Andhra Paper Limited.

### Note 61 ISSUE OF SECURED AND NON - CONVERTIBLE DEBENTURES

On October 18, 2019, the Company has issued and allotted 1980 numbers 10.30%, rated, secured and non- convertible debentures having face value of ₹10,00,000 each aggregating to ₹ 19,800 lakhs for five years to Standard Chartered Bank (Mauritius) and Aditya Birla Finance Limited through Private Placement and are listed at BSE Limited w.e.f. November 2019.

### Note 62 Previous year's figures have been regrouped and reclassified wherever necessary.

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

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director & CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur**

**Virendraa Bangur**

**P. N. Kapadia**

**M. P. Taparia**

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

**Krishna Kumar Karwa**

**Amitav Kothari**

**Sudarshan Somani**

Directors



# FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

**Part - "A" : Subsidiaries**

(₹ in Lakhs)

| Sl. No. | Particulars                              | West Coast Opticable Limited |
|---------|--|------------------------------|
| 1       | Financial Year ended on                  | March 31, 2020               |
| 2       | Reporting Currency                       | Indian Rupees                |
| 3       | Share Capital                            | 2.00                         |
| 4       | Reserve & Surplus / (Accumulated Losses) | 13.49                        |
| 5       | Total Assets                             | 698.35                       |
| 6       | Total Liabilities                        | 698.35                       |
| 7       | Investments                              | -                            |
| 8       | Total Turnover                           | 600.45                       |
| 9       | Profit / (Loss) before tax               | 15.60                        |
| 10      | Provision for Income Tax                 | (9.89)                       |
| 11      | Profit / (Loss) after tax                | 25.49                        |
| 12      | Proposed Dividend                        | -                            |
| 13      | % of Shareholding                        | 100%                         |

| Sl. No. | Particulars                              | Andhra Paper Limited |
|---------|--|----------------------|
| 1       | Financial Year ended on                  | March 31, 2020       |
| 2       | Reporting Currency                       | Indian Rupees        |
| 3       | Share Capital                            | 3,977.00             |
| 4       | Reserve & Surplus / (Accumulated Losses) | 93,608.29            |
| 5       | Total Assets                             | 1,32,113.96          |
| 6       | Total Liabilities                        | 34,528.67            |
| 7       | Investments                              | 4,428.62             |
| 8       | Total Turnover                           | 1,26,969.57          |
| 9       | Profit / (Loss) before tax               | 23,580.35            |
| 10      | Provision for Income Tax                 | 2,287.92             |
| 11      | Profit / (Loss) after tax                | 21,292.43            |
| 12      | Proposed Dividend                        | -                    |
| 13      | % of Shareholding                        | 72.20%               |



# FORM AOC - 1 (Contd.)

(₹ in Lakhs)

## Part - "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

| Sl. No. | Particulars   | Speciality Coatings & Lamination Limited |
|---------|---|--|
| 1       | Financial Year / period ended on  | March 31, 2020                           |
| 2       | <b>Shares of Associate held by the company on the year end</b>                |  |
|         | a. Number of Equity Shares  | 18,50,130                                |
|         | b. Amount of investment in Associate *  | -  |
|         | c. Extent of holding %  | 37.33%                                   |
| 3       | Description of how there is significant influence                             | Based on shareholding                    |
| 4       | Reason why the associate is not considered for consolidation*                 | -  |
| 5       | Net worth attributable to Shareholding as per latest Un-audited Balance Sheet | (180.98)                                 |
| 6       | <b>Loss for the year</b>  | (3.85)                                   |
|         | i) Considered in consolidation  | -  |
|         | ii) Not considered in consolidation   | (3.85)                                   |

\* Investment value is ₹ 185.01 Lakhs which was fully impaired in earlier years.

### For and on behalf of the Board

**S. K. Bangur**  
Chairman & Managing Director

**Saurabh Bangur**  
Vice Chairman

**Rajendra Jain**  
Executive Director & CFO

**Brajmohan Prasad**  
Company Secretary

**Shashi Bangur**  
Virendraa Bangur

**P. N. Kapadia**  
M. P. Taparia

**Lt. Gen. (Retd.) Utpal Bhattacharyya**  
Krishna Kumar Karwa

**Amitav Kothari**  
Sudarshan Somani  
Directors

Place: Dandeli  
Date: June 26, 2020



# Independent Auditor's Report

To the members of  
**WEST COAST PAPER MILLS LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of West Coast Paper Mills Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on the separate financial statements of subsidiaries as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to below referred Notes to the Consolidated financial statements

- i) Note 66 regarding uncertainty around the impact of COVID 19 on the operations of the Group, which is presently not ascertainable.
- ii) Note 62 regarding the ongoing litigation in case of one of the subsidiary with respect to the levy of electricity duty by the State Government of Andhra Pradesh on consumption of electricity by captive generating units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the subsidiary. On grounds of prudence and abundant caution, a provision of ₹ 3,143.24 lakhs (including ₹ 785.81 lakhs on account of business combination during the current period) has been created in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 785.81 lakhs has been treated as contingent liability. Based on the legal advice obtained, in the opinion of the management no further provision would be required in relation to this disputed matter.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

### Key Audit Matters

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



## Independent Auditor's Report (Contd.)

| Key Audit Matters  | How our audit addressed the Key Audit Matter  |
|--|---|
| <p><b>1. Business combination - Acquisition of Andhra Paper Limited ("APL") (Formerly International Paper APPM Limited or "IPAPPM") (Refer Note II (c) and 57 to the Consolidated Financial Statements)</b></p> <p>West Coast Paper Mills Limited ("WCPML") acquired controlling stake of Andhra Paper Limited (formerly International Paper APPM Limited) vide Share Purchase Agreement dated 29th May 2019 and by virtue of open offer dated August 30, 2019 from public. Consequently, APL has become a subsidiary of the Company having total shareholding of 72.20%. The acquisition was accounted for in accordance with Ind AS 103 "Business Combination" effective from acquisition date by recognizing the identifiable assets (including intangible assets) and liabilities assumed (including contingent liabilities) at fair value.</p> <p>The measurement of the identifiable assets and liabilities acquired at fair value inherently requires a fair degree of judgement and assumptions.</p> <p>Fair value was determined by WCPML with the assistance of external valuation experts using various valuation models, which were applied according to the assets and liabilities being measured.</p> <p>Ind AS 110 "Consolidated financial statements" requires that the Parent company and its subsidiaries follow uniform accounting policies, classification and disclosures.</p> <p>Refer note 57 to the consolidated financial statements for the details of the basis used and judgements and estimates involved in measuring the acquired assets and liabilities</p> <p>Given the complexity and judgement involved in fair value measurements and magnitude of the acquisition made by WCPML, this has been identified as a key audit matter.</p> | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> <li>✓ Reviewing the agreement terms and other documents pertaining to the acquisition to understand the key terms and conditions of the acquisition;</li> <li>✓ Assessing the competence, capabilities and objectivity of the experts engaged by WCPML and gaining an understanding of the work of the experts by reviewing the valuation reports;</li> <li>✓ Reviewed and assessed the reasonableness of key assumptions, purchase price allocation adjustments and the identification and valuation of acquired intangible assets based on our knowledge of the Company and the industry. Held various discussions with the Valuation experts, and ;</li> <li>✓ Assessed the adequacy of WCPML's disclosures in respect of the acquisition in accordance with the accounting standards.</li> <li>✓ Reviewed the accounting policies and classification followed by IPAPPM vis a vis those followed by the Parent Company and identified the variances.</li> <li>✓ Held discussions with the management of WCPML and APL and also with the Statutory Auditors of APL and concluded on the alignment required to be done to comply with the requirements of Ind AS 110 and other accounting standards.</li> <li>✓ Assessed the adequacy of the consolidation process adopted and the disclosures in respect of the Consolidated financial statements.</li> </ul> |
| <p><b>2. Revenue Recognition (Refer Note 1 (III) (g) and 27 to the Consolidated Financial Statements)</b></p> <p>Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.</p> <p>We focused on this area as a key audit matter as the value is significant and inherent risk exists of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates.</p>  | <p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> <li>✓ Read the Group's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115.</li> <li>✓ Evaluated the design, tested the implementation and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over recognition of revenue.</li> <li>✓ On a sample basis, tested supporting documentation for sales transactions which included sales invoices, customer contracts, and shipping documents.</li> <li>✓ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents.</li> <li>✓ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> </ul>   |



## Independent Auditor's Report (Contd.)

### 3. Provisions and contingent liabilities related to taxation, litigation and claims (Refer Note 38 and 62 to the Consolidated Financial Statements)

The Group has ongoing litigations with various regulatory and tax authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter

As part of our audit procedures, we:

- ✓ Obtained an understanding of management's process to identify new obligations and changes in existing obligations for compliance with Ind AS 12 – Income taxes and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.
- ✓ analysed significant changes in material provisions from prior periods and obtained a detailed understanding of these changes and assumptions applied.
- ✓ Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the Consolidated financial statements included:
  - Assessment of the recognition criteria for the liability;
  - Evaluation of the methodology adopted by management for the measurement of the liability;
  - Assessment of the other key measurement assumptions and inputs.
  - We have obtained opinions and confirmations from internal /external experts and legal counsel, where necessary, which we have relied upon.
- ✓ We reviewed the minutes of the Board meetings including other committees to evaluate the process and controls over obligations operated by management.
- ✓ Testing of the mathematical accuracy of the measurement calculation;
- ✓ We assessed the appropriateness of the presentation of the most significant contingent liabilities in the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our Auditors' Report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection



## Independent Auditor's Report (Contd.)

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.



## Independent Auditor's Report (Contd.)

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- i) We did not audit the financial statements of two subsidiaries whose audited financial statements / audited fit for consolidation financial statements reflect total assets of 1,32,812.30 lakhs as at March 31, 2020, total revenues of ₹ 52,275.90 lakhs, total net profit after tax of ₹ 12,895.41 lakhs, total comprehensive income / (loss) of ₹ 12,736.87 lakhs and net cash outflows of ₹ 1,358.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.  
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.
- ii) The Dandeli Unit of the Group had carried out physical verification of inventory post balance sheet date and due to countrywide lockdown imposed by Government of India, we could not participate in the physical verification of inventory at year end. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items". Our opinion on the Statement is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiaries as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March



## Independent Auditor's Report (Contd.)

31,2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31,2020 from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under section 197 of the Act,

With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at March 31,2020 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 63 to the consolidated financial statements in respect of such items as it relates to the Group
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March ,2020;

For **Singhi & Co.**

*Chartered Accountants*

Firm Registration Number: 302049E

**Sudesh Choraria**

*Partner*

Membership no:204936

UDIN: 20204936AAAACS8608

Date : June 26, 2020

Place : Mumbai



## Annexure A

to the independent auditor's report

**(Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date to the members of WEST COAST PAPER MILLS LIMITED on the Consolidated financial Statements as of and for the year ended March 31, 2020)**

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

### Opinion

In conjunction with our audit of the consolidated financial statements of West Coast Paper Mills Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements are a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements



## Annexure A

to the independent auditor's report (Contd.)

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

### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Singhi & Co.**  
*Chartered Accountants*  
Firm Registration Number: 302049E

**Sudesh Choraria**  
*Partner*  
Membership no:204936  
UDIN: 20204936AAAACS8608

Date : June 26, 2020  
Place : Mumbai



# Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

|  | Note | As at              |                    |
|--|------|--------------------|--------------------|
|  |      | March 31, 2020     | March 31, 2019     |
| <b>ASSETS</b>                              |      |                    |                    |
| <b>Non-Current Assets</b>                  |      |                    |                    |
| Property, plant and equipment              | 2a   | 1,69,753.40        | 99,037.65          |
| Capital work in progress                   | 3    | 5,691.78           | 3,704.93           |
| Goodwill                                   | 2b   | 18,371.29          | -                  |
| Intangible assets                          | 2b   | 12,886.19          | 88.68              |
| Biological assets other than bearer plants | 4    | 760.03             | 997.45             |
| Financial Assets:                          |      |                    |                    |
| i. Other Investments                       | 5    | 1,815.00           | 74.60              |
| ii. Loans                                  | 6    | -                  | -                  |
| iii. Other financial assets                | 7    | 1,129.65           | 178.95             |
| Other Non-Current Assets                   | 8    | 3,751.25           | 695.48             |
| Current Tax Assets (Net)                   | 9    | 1,361.71           | 1,653.06           |
| Deferred Tax Assets (Net)                  | 10   | 4,675.01           | 1,297.90           |
| <b>Total Non-Current Assets</b>            |      | <b>2,20,195.31</b> | <b>1,07,728.70</b> |
| <b>Current Assets</b>                      |      |                    |                    |
| Inventories                                | 11   | 54,829.10          | 42,827.47          |
| Biological assets other than bearer plants | 4    | 0.40               | 149.49             |
| Financial Assets :                         |      |                    |                    |
| i) Investments                             | 5    | 2,664.62           | 22,189.09          |
| ii) Trade receivables                      | 12   | 14,200.99          | 16,327.43          |
| iii) Cash and cash equivalents             | 13   | 1,576.12           | 691.73             |
| iv) Other bank balances                    | 14   | 15,928.30          | 324.11             |
| v) Loans                                   | 6    | 4,663.37           | 50.16              |
| vi) Other financial assets                 | 7    | 275.17             | 165.01             |
| Other current assets                       | 15   | 8,539.38           | 1,526.36           |
| Assets classified as held for sale         | 16   | 214.87             | 6.59               |
| <b>Total Current Assets</b>                |      | <b>1,02,892.32</b> | <b>84,257.44</b>   |
| <b>Total Assets</b>                        |      | <b>3,23,087.63</b> | <b>1,91,986.14</b> |
| <b>EQUITY AND LIABILITIES</b>              |      |                    |                    |
| <b>Equity</b>                              |      |                    |                    |
| Equity share capital                       | 17   | 1,320.98           | 1,320.98           |
| Other equity                               | 18   | 1,37,504.00        | 1,09,018.51        |
| Non-controlling interest                   | 18   | 31,595.52          | 0.01               |
| <b>Total Equity</b>                        |      | <b>1,70,420.50</b> | <b>1,10,339.50</b> |
| <b>Liabilities</b>                         |      |                    |                    |
| <b>Non-current liabilities</b>             |      |                    |                    |
| Financial Liabilities :                    |      |                    |                    |
| i) Borrowings                              | 19   | 53,483.15          | 15,430.22          |
| ii) Other financial liabilities            | 20   | 7,855.65           | 7,709.16           |
| Provisions                                 | 21   | 850.96             | 376.30             |
| Deferred tax liabilities (net)             | 22   | 12,538.17          | -                  |
| Other Non-Current Liabilities              | 23   | 7,209.76           | 6,833.56           |
| <b>Total Non-Current Liabilities</b>       |      | <b>81,937.69</b>   | <b>30,349.24</b>   |
| <b>Current Liabilities</b>                 |      |                    |                    |
| Financial Liabilities :                    |      |                    |                    |
| i) Borrowings                              | 24   | 8,838.56           | 15,867.98          |
| ii) Trade payables                         |      |                    |                    |
| a) Micro and Small Enterprises             | 25   | 1,005.98           | 8.65               |
| b) Others                                  | 25   | 19,799.78          | 17,930.03          |
| iii) Other financial liabilities           | 20   | 25,387.63          | 13,638.22          |
| Provisions                                 | 21   | 8,953.65           | 523.60             |
| Other current liabilities                  | 26   | 6,743.84           | 3,328.92           |
| <b>Total Current Liabilities</b>           |      | <b>70,729.44</b>   | <b>51,297.40</b>   |
| <b>Total Equity and Liabilities</b>        |      | <b>3,23,087.63</b> | <b>1,91,986.14</b> |

The accompanying notes are an integral part of the Consolidated financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director &amp; CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur****Virendraa Bangur****P. N. Kapadia****M. P. Taparia****Lt. Gen. (Retd.) Utpal Bhattacharyya****Krishna Kumar Karwa****Amitav Kothari****Sudarshan Somani**

Directors



# Consolidated Statement of Profit & Loss

for the year ended March 31, 2020

(₹ in Lakhs)

|  | Note | For the year ended |                    |
|--|------|--------------------|--------------------|
|  |      | March 31, 2020     | March 31, 2019     |
| Revenue from Operations  | 27   | 2,48,929.94        | 1,97,699.57        |
| Revenue from Trading Operations  | 28   | 355.51             | 215.18             |
| Other Income   | 29   | 5,359.21           | 1,981.06           |
| <b>Total Income</b>  |      | <b>2,54,644.66</b> | <b>1,99,895.81</b> |
| <b>Expenses</b>  |      |                    |                    |
| Cost of Materials Consumed   | 30   | 1,29,460.97        | 1,00,294.99        |
| Purchases of Stock in Trade  | 31   | 92.73              | 183.24             |
| Changes in Inventories of Finished Goods & Work in Progress                  | 32   | (9,622.86)         | (2,263.17)         |
| Employee Benefits Expense  | 33   | 22,290.75          | 13,924.34          |
| Finance Costs  | 34   | 7,495.99           | 2,924.53           |
| Depreciation and Amortization Expense  | 35   | 19,785.79          | 17,602.20          |
| Other Expenses   | 36   | 45,439.74          | 34,664.32          |
| <b>Total Expenses</b>  |      | <b>2,14,943.11</b> | <b>1,67,330.45</b> |
| <b>Profit Before Exceptional Items and Tax</b>                               |      | <b>39,701.55</b>   | <b>32,565.36</b>   |
| Exceptional Items  |      | -                  | -                  |
| Profit Before Tax  |      | <b>39,701.55</b>   | <b>32,565.36</b>   |
| Income Tax Expense   | 37   |                    |                    |
| Current Tax  |      | 6,442.45           | 6,803.22           |
| Mat Credit Entitlement   |      | (1,369.80)         | (2,131.85)         |
| Deferred Tax   |      | (6,020.52)         | (1,706.50)         |
| <b>Total Tax Expenses</b>  |      | <b>(947.87)</b>    | <b>2,964.87</b>    |
| <b>Profit / (Loss) for the period from Continuing Operations</b>             |      | <b>40,649.42</b>   | <b>29,600.49</b>   |
| <b>Other Comprehensive Income</b>  | 18   |                    |                    |
| Items that may be reclassified to Profit or Loss                             |      | -                  | -                  |
| (a) Remeasurement of employees benefit obligations                           |      | (974.96)           | 32.27              |
| (b) Equity instruments through other comprehensive income                    |      | 48.00              | -                  |
|  |      | <b>(926.96)</b>    | <b>32.27</b>       |
| Income Tax relating to Items that will not be reclassified to Profit or Loss |      |                    |                    |
| (a) Remeasurement of employees benefit obligations                           |      | 308.81             | -6.95              |
| (b) Equity instruments through other comprehensive income                    |      | (11.18)            | -                  |
|  |      | <b>297.63</b>      | <b>-6.95</b>       |
| <b>Other Comprehensive Income for the period (net of tax)</b>                |      | <b>(629.33)</b>    | <b>25.32</b>       |
| <b>Total Comprehensive Income for the year</b>                               |      | <b>40,020.09</b>   | <b>29,625.81</b>   |
| <b>Net Profit attributable to :</b>  |      |                    |                    |
| <b>Owners</b>  |      | 37,038.30          | 29,600.48          |
| <b>Non-controlling interests</b>   |      | 3,611.12           | 0.01               |
|  |      | <b>40,649.42</b>   | <b>29,600.49</b>   |
| <b>Other Comprehensive Income(OCI) attributable to :</b>                     |      |                    |                    |
| <b>Owners</b>  |      | (585.06)           | 25.32              |
| <b>Non-controlling interests</b>   |      | (44.27)            | -                  |
|  |      | <b>(629.33)</b>    | <b>25.32</b>       |
| <b>Total Comprehensive Income attributable to :</b>                          |      |                    |                    |
| <b>Owners</b>  |      | 36,453.24          | 29,625.80          |
| <b>Non-controlling interests</b>   |      | 3,566.85           | 0.01               |
|  |      | <b>40,020.09</b>   | <b>29,625.81</b>   |
| <b>Earning Per Equity Share for profit from Continuing Operations</b>        |      |                    |                    |
| Basic Earning per share (in ₹)   |      | 56.08              | 44.82              |
| Diluted Earning per share (in ₹)   |      | 56.08              | 44.82              |

## Significant Accounting Policies

1

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director & CFO

**Brajmohan Prasad**

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**Shashi Bangur**

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**P. N. Kapadia**

**M. P. Taparia**

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

**Krishna Kumar Karwa**

**Amitav Kothari**

**Sudarshan Somani**

Directors



# Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | For the year ended |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                    |                    |
| <b>Profit before income tax</b>  | 39,701.55          | 32,565.36          |
| Adjustments for  |                    |                    |
| Depreciation and amortisation  | 19,785.79          | 17,602.20          |
| Loss / (Gain) on disposal of Property, plant and equipment   | 133.41             | 497.33             |
| Loss / (Gain) on sale of investments   | (1,701.47)         | -                  |
| Net gain on financial assets designated on FVTPL   | (4.62)             | -                  |
| Dividend and interest income classified as investing cash flows  | (1,767.69)         | (703.73)           |
| Finance Costs  | 6,030.25           | 2,646.11           |
| Government grant income  | (537.48)           | (621.05)           |
| Provision for doubtful debts   | 109.17             | -                  |
| Bad debts / assets written off   | -                  | 56.19              |
| Net exchange differences   | 1,440.47           | 251.50             |
| Fair Value adjustment in Investment  | 23.59              | (163.28)           |
| Changes in actuarial valuation of Employee Benefit   | 2.96               | -                  |
| Liabilities & Provisions written back  | (1,007.24)         | (138.51)           |
| <b>Total</b>   | <b>22,507.14</b>   | <b>19,426.76</b>   |
| <b>Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary</b> |                    |                    |
| (increase) / Decrease in trade receivables   | 9,900.23           | (4,434.64)         |
| (increase) / Decrease in inventories   | 3,282.20           | (7,886.08)         |
| (increase) / Decrease in other financial assets  | (14.12)            | 17.90              |
| (increase) / Decrease in other non-current assets  | 452.11             | 284.49             |
| (increase) / Decrease in other current assets  | (87.52)            | 1,315.01           |
| Increase / (Decrease) in trade liabilities   | (7,718.45)         | (1,203.66)         |
| Increase / (Decrease) in provisions  | 1,016.08           | 80.66              |
| Increase / (Decrease) in other financial liabilities   | 357.12             | 4,235.59           |
| Increase / (Decrease) in Non-current liabilities   | 513.00             | 955.43             |
| <b>Total</b>   | <b>7,700.65</b>    | <b>(6,635.30)</b>  |
| <b>Cash generated from operations</b>  | <b>69,909.34</b>   | <b>45,356.83</b>   |
| Less: Income Tax paid  | 4,999.51           | 5,940.71           |
| <b>Net cash inflow from operating activities</b>   | <b>64,909.84</b>   | <b>39,416.12</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                    |                    |
| Payments for property, plant and equipment   | (11,553.50)        | (17,036.26)        |
| Purchase of intangible assets  | (11.85)            | (27.85)            |
| Purchase of Non-Current Investments  | (91,159.94)        | -                  |
| Proceeds from sale of property, plant and equipments   | 224.69             | 180.30             |
| Interest received  | 400.62             | 703.73             |
| Bank Deposits  | 59.58              | (67.76)            |
| Investment in mutual fund  | (96,620.01)        | (22,000.00)        |
| Redemption of mutual fund  | 1,18,505.70        | -                  |
| Dividend income received   | 0.21               | -                  |
| Inter-corporate deposits given   | (3,000.00)         | -                  |
| Inter-corporate deposits matured   | 1,000.00           | -                  |
| Term / margin money deposits placed during the year  | (14,394.59)        | -                  |
| Term / margin money deposits matured during the year   | 8,400.61           | -                  |
| <b>Net cash flow from investing activities</b>   | <b>(88,148.46)</b> | <b>(38,247.84)</b> |



## Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | For the year ended |                   |
|--|--------------------|-------------------|
|  | March 31, 2020     | March 31, 2019    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |                    |                   |
| Proceeds from Long Term Borrowings   | 58,371.48          | 450.00            |
| Repayments of Long Term Borrowings   | (15,309.36)        | (7,922.21)        |
| Proceeds / (Repayment) of Short Term Borrowings (Net)                        | (7,104.43)         | 11,448.70         |
| Interest and Finance Charges   | (6,021.79)         | (2,025.06)        |
| Dividends paid to company's shareholders (including interim)                 | (6,604.89)         | (2,641.96)        |
| Tax on equity dividend   | (1,362.87)         | (537.84)          |
| Repayment of lease liability   | (148.45)           | -                 |
| <b>Net cash inflow / (outflow) from financing activities</b>                 | <b>21,819.69</b>   | <b>(1,228.37)</b> |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b>                | <b>(1,418.94)</b>  | <b>(60.11)</b>    |
| <b>Net increase or decrease in Cash and Cash Equivalents during the year</b> | <b>(1,418.94)</b>  | <b>(60.11)</b>    |
| <b>Pursuant to acquisition of Subsidiary (Refer Note No. 57)</b>             | 2,303.33           |                   |
| <b>Cash and Cash Equivalents at the beginning of the financial year</b>      | 691.73             | 751.84            |
| <b>Cash and Cash Equivalents at the end of the financial year</b>            | 1,576.12           | 691.73            |
| <b>Reconciliation of Financial Liabilities - Borrowings</b>                  | <b>2019-20</b>     | <b>2018-19</b>    |
| Opening balance  | 40,470.84          | 36,494.37         |
| Add: Proceeds of borrowings  | 58,371.48          | 450.00            |
| Less: (Repayment) of borrowings  | (15,309.36)        | (7,922.21)        |
| Less: Proceeds / (Repayments) of borrowings (short term) (net)               | (7,104.43)         | 11,448.70         |
| Add: Non-cash movement   | 1,919.74           | (0.01)            |
|  | <b>78,348.27</b>   | <b>40,470.85</b>  |

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

**For and on behalf of the Board**

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director & CFO

**Brajmohan Prasad**

Company Secretary

**Shashi Bangur**

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**P. N. Kapadia**

**M. P. Taparia**

**Lt. Gen. (Retd.) Utpal Bhattacharyya**

**Krishna Kumar Karwa**

**Amitav Kothari**

**Sudarshan Somani**

Directors



# Consolidated Statement of Changes in other Equity

for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars                       | Balance at the beginning of the reporting year |                 | Changes in equity share capital during the year |                 | Balance at the end of the reporting year |                 |
|-----------------------------------|--|-----------------|---|-----------------|--|-----------------|
|                                   | No. of Shares                                  | Amount in Lakhs | No. of Shares                                   | Amount in Lakhs | No. of Shares                            | Amount in Lakhs |
| For the year ended March 31, 2019 | 6,60,48,908                                    | 1,320.98        | -   | -               | 6,60,48,908                              | 1,320.98        |
| For the year ended March 31, 2020 | <b>6,60,48,908</b>                             | <b>1,320.98</b> | -   | -               | <b>6,60,48,908</b>                       | <b>1,320.98</b> |

## B. Other Equity

| Particulars   | Reserves & Surplus       |                   |                            |                                |                  | Other Comprehensive Income | Total attributable to owners of the Company | Attributable to Non Controlling Interest | Total              |
|---|--------------------------|-------------------|----------------------------|--------------------------------|------------------|----------------------------|---|--|--------------------|
|   | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share warrant forfeited | General Reserve  |                            |   |  |                    |
| <b>Opening as on April 01, 2018</b>                                 | <b>14,572.54</b>         | <b>25,222.48</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(934.37)</b>            | <b>82,572.51</b>                            | -  | <b>82,572.51</b>   |
| Profit for the year   | -                        | 29,600.48         | -                          | -                              | -                | -                          | 29,600.48                                   | 0.01                                     | 29,600.49          |
| Impact due to Fair Value Adjustment of Government Grant             | -                        | -                 | -                          | -                              | -                | -                          | -   | -  | -                  |
| Remeasurement of net defined benefit liability/asset (net of tax)   | -                        | -                 | -                          | -                              | -                | 25.32                      | 25.32                                       | -  | 25.32              |
| Dividends paid (including Dividend Distribution Tax)                | -                        | (3,179.80)        | -                          | -                              | -                | -                          | (3,179.80)                                  | -  | (3,179.80)         |
| <b>Balance as on March 31, 2019</b>                                 | <b>14,572.54</b>         | <b>51,643.16</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,018.51</b>                          | <b>0.01</b>                              | <b>1,09,018.52</b> |
| <b>Opening as on April 01, 2019</b>                                 | <b>14,572.54</b>         | <b>51,643.16</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,018.51</b>                          | <b>0.01</b>                              | <b>1,09,018.52</b> |
| Non-controlling interest on acquisition of subsidiary               | -                        | -                 | -                          | -                              | -                | -                          | -   | 28,028.66                                | 28,028.66          |
| Profit for the year   | -                        | 37,038.30         | -                          | -                              | -                | -                          | 37,038.30                                   | 3,611.12                                 | 40,649.42          |
| Impact due to Fair Value adjustment of Government Grant             | -                        | -                 | -                          | -                              | -                | -                          | -   | -  | -                  |
| Remeasurement of net defined benefit liability/asset ( net of tax ) | -                        | -                 | -                          | -                              | -                | (585.06)                   | (585.06)                                    | (44.27)                                  | (629.33)           |
| Dividends paid (including Dividend Distribution Tax)                | -                        | (7,967.75)        | -                          | -                              | -                | -                          | (7,967.75)                                  | -  | (7,967.75)         |
| <b>Balance as on March 31, 2020</b>                                 | <b>14,572.54</b>         | <b>80,713.71</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(1,494.11)</b>          | <b>1,37,504.00</b>                          | <b>31,595.52</b>                         | <b>1,69,099.52</b> |

The accompanying notes are an integral part of the Consolidated financial statements.

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Sudesh Choraria**

Partner

Membership No. 204936

Place: Dandeli

Date: June 26, 2020

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

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Directors



# Notes to Consolidated Financial Statements

for the year ended March 31, 2020

## Note 1 Company Overview, Basis of Preparation and Significant Accounting Policies

### I. The Company Overview:

West Coast Paper Mills Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Bangur Nagar, Dandeli 581325 District Uttara Kannada, Karnataka. The Company was established in 1955. The Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. In October 2019, West Coast Paper Mills Limited, acquired controlling stake in Andhra Papers Ltd from the erstwhile Holding Company and public shareholders having two manufacturing units located in the State of Andhra Pradesh, India, one at Rajamahendravaram and the other at Kadiyam in East Godavari District. The Company's Dandeli Plant is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001-2015, ISO 14001-2015 FSC (R) & OHSAS 18000-2007. The Company's Mysore Plant produces Optical Fibre Cable which cater requirement of telecom sector of India.

These Consolidated financial statements were approved and adopted by Board of Directors of the Company in their meeting held on June 26, 2020.

### II. Basis of Preparation of Financial Statements:

#### a) Basis of Preparation:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the group") and its interest in associates. The Consolidated Financial Statements of the Group are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013 and the relevant provisions thereof. The financial statements of the subsidiary companies used in the preparation of the Consolidated financial statements have been drawn upto the same report date as that of the parent Company.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Group has

prepared these Consolidated Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

#### b) Principles of consolidation and equity accounting:

##### i. Subsidiaries:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

##### ii. Associates:

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### c) Business Combination and Goodwill:

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-



# Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

date, liabilities assumed and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date. Deferred tax asset or liability arising from a business combination are recognized in accordance with the requirements of Ind AS 12 "Income Taxes".

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised as capital reserve.

**d) Functional and Presentation Currency:**

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

**e) Use of Estimates:**

The preparation of the Financial Statements in conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**f) Classification of Assets and Liabilities as Current and Non-Current:**

All Assets and Liabilities have been classified as Current or Non-Current as per the Group's normal operating cycle and other criteria set out in the

Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Group and their realisation in cash and cash equivalent, the Group has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**III. Significant Accounting Policies:**

**a) Property, Plant and Equipments (PPE):**

PPE are stated at cost of acquisition (net of Tax / Duty credit availed) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.

Assets under installation or under construction as at Balance Sheet date are shown as Capital work in progress together with project expenses.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.

**Decommissioning Liability:**

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Group has estimated such costs being the present value of future liability for decommissioning. Such costs are capitalized and a provision of the equivalent amount has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Group.

**Disposal of Assets:**

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying

## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

amount of the asset and is recognised in the Statement of Profit and Loss.

### Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### b) Depreciation & Amortization:

The Parent Company and a subsidiary depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

| Sl. No. | Particulars  | Useful Life | Method |
|---------|--|-------------|--------|
| 1.      | Plant and Machinery*- Paper machines   | 20          | WDV    |
| 2.      | Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant | 20          | WDV    |
| 3.      | Roads & Drainage*  | 20          | WDV    |
| 4.      | OFC Plant & Machinery*   | 20          | WDV    |
| 5.      | OFC Plant & Machinery* (Subsidiary)  | 15          | WDV    |
| 6.      | JFTC Plant & Machinery*  | 20          | WDV    |
| 7.      | Coal Handling Plant*   | 20          | WDV    |
| 8.      | Factory Buildings  | 30          | WDV    |
| 9.      | Non Factory Buildings  | 60          | WDV    |
| 10.     | Office Equipments  | 5           | WDV    |
| 11.     | Computers & Computer Software  | 3           | WDV    |
| 12.     | Motor Vehicles   | 8           | WDV    |
| 13.     | Intangible Assets  | 3           | WDV    |

\*Based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

In case of one of the Subsidiary Andhra Papers Ltd (APL), the estimated useful lives of PPE determined are as follows:

| Sr. No. | Particulars                      | Useful Life | Method |
|---------|----------------------------------|-------------|--------|
| 1.      | Building Free-hold – Factory     | 30          | SLM    |
| 2.      | Building Free-hold - Residential | 60          | SLM    |
| 3.      | Plant & Machinery                | 15-25       | SLM    |
| 4.      | Lease Hold Improvements          | 4-8         | SLM    |
| 5.      | Furniture                        | 10          | WDV    |
| 6.      | Office Equipments                | 5           | WDV    |
| 7.      | Vehicles                         | 8           | WDV    |
| 8.      | Software                         | 5-15        | SLM    |

In respect of incremental cost arising on account of realized / notional gain / loss on foreign currency liability for acquisition of fixed assets, depreciation is provided over the remaining residual life of the respective assets.

Depreciation methods, useful lives and residual values are reviewed at least at the end of each financial year.

Assets individually costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

### c) Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

### d) Impairment of Non Financial Assets:

The carrying amounts of non financial assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.



## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

An impairment loss is recognized as an expense in the Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

**e) Assets held for Sale:**

The Group recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at net carrying amount or realizable value, whichever is lower.

**f) Valuation of Inventories:**

Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.

Work in process is valued at cost.

Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

Stock of scrap is valued at realizable value.

Biological assets other than bearer plants which are matured and have market value are valued at fair value Biological Assets which are immature are valued at cost.

**g) Revenue Recognition:**

Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer and are adjusted for discounts (net), Taxes and foreign exchange differences. Turnover is net of Goods & Service Tax collected on behalf of the Government.

Revenue from contracts with customers is recognised in accordance with Ind AS 115, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Sale of goods is recognised at the point in time when control of the goods is transferred to the

customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Export Incentive Scheme Benefits are recognized on accrual basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established.

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim.

**h) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

**i) Research and Development Expenditure:**

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is Incurred.

**j) Employee Benefits:**

Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous' Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.

Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged



## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

to the Statement of Profit and Loss on accrual basis.

Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

### k) Earnings Per Share (EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### l) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets in accordance with the exemption under Para D13AA of Ind AS 101.

### m) Financial Instruments:

#### Financial Assets :

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt'.

All Financial Assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the

financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

#### Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

#### Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic



## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### **Derecognition of Financial Assets:**

The Group derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Financial Liability:**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial Liabilities are subsequently carried at amortized cost using the effective interest method, except for loans where the difference between IRR and normal rate of interest was immaterial.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a

basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

### **Derivative Financial Instruments:**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### **Trade and Other Payables:**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **Other Financial Liabilities:**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **n) Borrowing Cost:**

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up



## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

### **o) Taxation:**

Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from “temporary difference” between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

### **p) Provisions & Contingent Liabilities/ Assets:**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then

the related asset is not a contingent asset and its recognition is appropriate.

### **q) Government Grants:**

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

### **r) Leases:**

On April 1, 2019, the Company adopted Ind AS 116, Leases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

### **The Company as lessee:**

The Group’s lease asset classes primarily consist of leases for Land, building, plant & machinery and vehicles. At the inception of the contract, the Company assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of identifying if a contract contains a lease, the Company assesses whether:



## Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2020

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except in case of low value leases and short term leases (a term of less than twelve months) wherein the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The right-of-use assets are initially recognized at cost. Cost includes the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the useful life of the underlying asset or the lease term whichever is shorter. Right of use assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liability and ROU asset have been presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group adopted Ind AS 116 –“ Leases” using restrospective / modified retrospective methods as permitted in the Accounting Standard..

### s) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

### t) Significant accounting judgements, estimates and assumptions

- The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.
- The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life PPE & intangible asset
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets
- Fair Valuation for the purpose of Business Combination

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Sr. no. | Particulars  | Property, Plant and Equipment |                |                        |           |                     |                         | Right of use assets |             |                                 |                                       |           | Total |                     |              |
|---------|--|-------------------------------|----------------|------------------------|-----------|---------------------|-------------------------|---------------------|-------------|---------------------------------|---------------------------------------|-----------|-------|---------------------|--------------|
|         |  | Freehold Land                 | Leasehold Land | Leasehold improvements | Buildings | Plant and Machinery | Furnitures and fixtures | Other Assets        | Subtotal    | Lease hold land (Finance Lease) | Lease hold land (Right to use assets) | Buildings |       | Plant and Machinery | Other Assets |
|         | <b>Gross carrying value as at April 01, 2018</b>               | 61.61                         | 162.04         | -                      | 21,980.18 | 2,05,602.36         | 484.87                  | 1,265.50            | 2,29,556.56 | -                               | -                                     | -         | -     | -                   | 2,29,556.56  |
| 1       | Additions  | -                             | -              | -                      | 465.52    | 12,565.19           | 120.83                  | 214.85              | 13,366.39   | -                               | -                                     | -         | -     | -                   | 13,366.39    |
| 2       | Reclassified as held for sale                                  | -                             | -              | -                      | -         | (57.06)             | -                       | -                   | (57.06)     | -                               | -                                     | -         | -     | -                   | (57.06)      |
| 3       | Effect of foreign exchange (gain) / loss                       | -                             | -              | -                      | -         | 303.77              | -                       | -                   | 303.77      | -                               | -                                     | -         | -     | -                   | 303.77       |
| 4       | Deletions  | -                             | -              | -                      | -         | (2,692.43)          | -                       | -                   | (2,692.43)  | -                               | -                                     | -         | -     | -                   | (2,692.43)   |
|         | <b>Gross carrying value as at March 31, 2019</b>               | 61.61                         | 162.04         | -                      | 22,445.70 | 2,15,721.83         | 605.70                  | 1,480.35            | 2,40,477.23 | -                               | -                                     | -         | -     | -                   | 2,40,477.23  |
|         | <b>Accumulated Depreciation as at April 01, 2018</b>           | -                             | -              | -                      | 12,561.27 | 1,12,369.26         | 275.46                  | 1,031.35            | 1,26,237.34 | -                               | -                                     | -         | -     | -                   | 1,26,237.34  |
| 1       | Depreciation   | -                             | -              | -                      | 911.05    | 16,332.40           | 51.15                   | 159.80              | 17,454.40   | -                               | -                                     | -         | -     | -                   | 17,454.40    |
| 2       | Assets held for sale   | -                             | -              | -                      | -         | (50.47)             | -                       | -                   | (50.47)     | -                               | -                                     | -         | -     | -                   | (50.47)      |
| 3       | Effect on foreign currency                                     | -                             | -              | -                      | -         | -                   | -                       | -                   | -           | -                               | -                                     | -         | -     | -                   | -            |
| 4       | Eliminated on disposal of asset                                | -                             | -              | -                      | -         | (2,201.69)          | -                       | -                   | (2,201.69)  | -                               | -                                     | -         | -     | -                   | (2,201.69)   |
|         | <b>Accumulated Depreciation as at March 31, 2019</b>           | -                             | -              | -                      | 13,472.32 | 1,26,449.50         | 326.60                  | 1,191.16            | 1,41,439.58 | -                               | -                                     | -         | -     | -                   | 1,41,439.58  |
|         | <b>Net carrying value as at March 31, 2019</b>                 | 61.61                         | 162.04         | -                      | 8,973.38  | 89,272.33           | 279.10                  | 289.20              | 99,037.65   | -                               | -                                     | -         | -     | -                   | 99,037.65    |
|         | <b>Gross carrying value as at April 01, 2019</b>               | 61.61                         | 162.04         | -                      | 22,445.70 | 2,15,721.83         | 605.70                  | 1,480.35            | 2,40,477.23 | -                               | -                                     | -         | -     | -                   | 2,40,477.23  |
| 1       | Additions through Business Combination                         | 7,376.10                      | -              | 183.67                 | 9,494.47  | 60,961.54           | 87.38                   | 447.04              | 78,550.20   | -                               | 1,387.09                              | 450.00    | -     | 1,837.09            | 80,387.29    |
| 2       | Additions  | -                             | -              | -                      | 730.05    | 8,684.25            | 60.59                   | 254.29              | 9,729.19    | -                               | 223.91                                | -         | -     | 247.66              | 9,976.85     |
| 3       | Reclassification on adoption of Ind AS 116 (Refer Note No. 62) | -                             | (162.04)       | -                      | -         | -                   | -                       | -                   | (162.04)    | 162.04                          | -                                     | -         | -     | 162.04              | -            |
| 4       | Impact of adoption of Ind AS 116 (Refer Note 61)               | -                             | -              | -                      | -         | -                   | -                       | -                   | -           | -                               | 56.91                                 | -         | -     | 56.91               | 56.91        |
| 5       | Reclassified as held for sale                                  | -                             | -              | -                      | -         | -                   | -                       | -                   | -           | -                               | -                                     | -         | -     | -                   | -            |
| 6       | Effect of foreign exchange (gain) / loss                       | -                             | -              | -                      | -         | (13.89)             | -                       | -                   | (13.89)     | -                               | -                                     | -         | -     | -                   | (13.89)      |
| 7       | Deletions  | -                             | -              | (106.20)               | -         | (84.51)             | (0.61)                  | (0.40)              | (191.71)    | -                               | (254.51)                              | -         | -     | (254.51)            | (446.22)     |
|         | <b>Gross carrying value as at March 31, 2020</b>               | 7,437.71                      | -              | 77.48                  | 32,670.22 | 2,85,269.22         | 753.06                  | 2,181.28            | 3,28,388.97 | 162.04                          | 56.91                                 | 450.00    | 23.75 | 2,049.19s           | 3,30,438.17  |

## Note 2(A) PROPERTY, PLANT AND EQUIPMENT



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Sr. no. | Particulars  | Property, Plant and Equipment |                |                        |                  |                     | Right of use assets    |                 |                    |                                 |                                       | Total           |               |                     |                    |
|---------|--|-------------------------------|----------------|------------------------|------------------|---------------------|------------------------|-----------------|--------------------|---------------------------------|---------------------------------------|-----------------|---------------|---------------------|--------------------|
|         |  | Freehold Land                 | Leasehold Land | Leasehold improvements | Buildings        | Plant and Machinery | Furniture and fixtures | Other Assets    | Subtotal           | Lease hold land (Finance Lease) | Lease hold land (Right to use assets) |                 | Buildings     | Plant and Machinery | Other Assets       |
|         | <b>Accumulated Depreciation as at April 01, 2019</b> | -                             | -              | -                      | 13,472.32        | 1,26,449.50         | 326.60                 | 1,191.16        | <b>1,41,439.58</b> | -                               | -                                     | -               | -             | -                   | <b>1,41,439.58</b> |
| 1       | Depreciation   | -                             | -              | 9.12                   | 1,211.97         | 17,624.17           | 76.17                  | 176.64          | <b>19,098.08</b>   | -                               | 2.09                                  | 128.57          | 90.00         | 4.70                | <b>19,323.44</b>   |
| 2       | Assets held for sale                                 | -                             | -              | -                      | -                | -                   | -                      | -               | -                  | -                               | -                                     | -               | -             | -                   | -                  |
| 3       | Effect on foreign currency                           | -                             | -              | -                      | -                | -                   | -                      | -               | -                  | -                               | -                                     | -               | -             | -                   | -                  |
| 4       | Eliminated on disposal of asset                      | -                             | -              | (8.10)                 | -                | (69.55)             | (0.34)                 | (0.27)          | <b>(78.25)</b>     | -                               | -                                     | -               | -             | -                   | <b>(78.25)</b>     |
|         | <b>Accumulated Depreciation as at March 31, 2020</b> | -                             | -              | 1.02                   | <b>14,684.29</b> | <b>1,44,004.13</b>  | <b>402.43</b>          | <b>1,367.53</b> | <b>1,60,459.40</b> | -                               | 2.09                                  | <b>128.57</b>   | <b>90.00</b>  | <b>4.70</b>         | <b>1,60,684.76</b> |
|         | <b>Net carrying value as at March 31, 2020</b>       | <b>7,437.71</b>               | -              | <b>76.46</b>           | <b>17,985.93</b> | <b>1,41,265.10</b>  | <b>350.63</b>          | <b>813.75</b>   | <b>1,67,929.57</b> | <b>162.04</b>                   | <b>54.82</b>                          | <b>1,227.92</b> | <b>360.00</b> | <b>19.05</b>        | <b>1,69,753.40</b> |

- Buildings are constructed on leasehold land for which Company pays only ground rent except non-factory buildings worth ₹ 2806.12 Lakhs (Previous Year ₹ 62.49 lakhs) being the cost of ownership premises.
- Lease hold land represents the amount paid to Karnataka Industrial Area Development Board ( KIADB), Bangalore against allotment of land at Kesaroli Village Haliyal on Lease cum sale basis.
- During the current year, foreign exchange fluctuation gain amounting to ₹ 13.89 Lakhs (Previous year : Loss of ₹ 303.77 Lakhs) has been capitalized to the block of plant & machinery pursuant to Notification no. G.S.R. 913(E) dated 29.12.2011, applicable up to March 31, 2020. Notional exchange rate variation capitalized till 31.03.2020 is ₹ Nil (Previous year ₹ 686.97 Lakhs). Other borrowing cost capitalised during the year is ₹ Nil (Previous Year : ₹ 2.95 Lakhs).



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| <b>Note 2(B) INTANGIBLE ASSETS</b> |  |                   |                            |                 |                  |                  |
|------------------------------------|--|-------------------|----------------------------|-----------------|------------------|------------------|
| Sr. no.                            | Particulars  | Computer Software | Distribution relationships | Tradename       | Total            | Goodwill         |
|                                    | <b>Opening Gross value as at April 01, 2018</b>      | 616.43            | -                          |                 | <b>616.43</b>    | -                |
| 1                                  | Additions  | 27.85             | -                          |                 | <b>27.85</b>     | -                |
| 2                                  | Deletions  | -                 | -                          |                 | -                | -                |
|                                    | <b>Closing Gross value as at March 31, 2019</b>      | <b>644.28</b>     | -                          | -               | <b>644.28</b>    | -                |
|                                    | <b>Accumulated Amortisation as at April 01, 2018</b> | 407.80            | -                          |                 | <b>407.80</b>    | -                |
| 1                                  | Amortisation expenses                                | 147.80            | -                          |                 | <b>147.80</b>    | -                |
| 2                                  | Eliminated on disposal of asset                      | -                 | -                          |                 | -                | -                |
|                                    | <b>Accumulated Amortisation as at March 31, 2019</b> | <b>555.60</b>     | -                          | -               | <b>555.60</b>    | -                |
|                                    | <b>Net carrying value as at March 31, 2019</b>       | <b>88.68</b>      | -                          |                 | <b>88.68</b>     | -                |
|                                    | <b>Opening Gross value as at April 01, 2019</b>      | 644.28            | -                          |                 | <b>644.28</b>    | -                |
| 1                                  | Additions through business combination               | 168.70            | 9,600.00                   | 3,300.00        | <b>13,068.70</b> | <b>18,371.29</b> |
| 2                                  | Additions  | 191.17            | -                          |                 | <b>191.17</b>    | -                |
| 3                                  | Deletions  | -                 | -                          |                 | -                | -                |
|                                    | <b>Closing Gross value as at March 31, 2020</b>      | <b>1,004.15</b>   | <b>9,600.00</b>            | <b>3,300.00</b> | <b>13,904.15</b> | <b>18,371.29</b> |
|                                    | <b>Accumulated Amortisation as at April 01, 2019</b> | 555.60            | -                          | -               | <b>555.60</b>    | -                |
| 1                                  | Amortisation expenses                                | 104.02            | 266.67                     | 91.67           | <b>462.36</b>    | -                |
| 2                                  | Eliminated on disposal of asset                      | -                 | -                          | -               | -                | -                |
|                                    | <b>Accumulated Amortisation as at March 31, 2020</b> | <b>659.62</b>     | <b>266.67</b>              | <b>91.67</b>    | <b>1,017.96</b>  | -                |
|                                    | <b>Net carrying value as at March 31, 2020</b>       | <b>344.52</b>     | <b>9,333.33</b>            | <b>3,208.33</b> | <b>12,886.19</b> | <b>18,371.29</b> |

|               |                                   | As at            |                  |
|---------------|-----------------------------------|------------------|------------------|
|               |                                   | March 31, 2020   | March 31, 2019   |
| <b>Note 3</b> | <b>CAPITAL WORK-IN-PROGRESS</b>   |                  |                  |
|               | Opening Balance                   | 4,526.88         | 338.82           |
|               | Add: Additions during the year    | 10,418.81        | 15,911.84        |
|               |                                   | <b>14,945.69</b> | <b>16,250.66</b> |
|               | Less: Capitalised during the year | 9,253.91         | 12,545.73        |
|               | <b>Closing Balance</b>            | <b>5,691.78</b>  | <b>3,704.93</b>  |

|               |   | As at           |                 |
|---------------|---|-----------------|-----------------|
|               |   | March 31, 2020  | March 31, 2019  |
| <b>Note 4</b> | <b>BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b>       |                 |                 |
|               | <b>Opening balance</b>                                  | <b>1,146.94</b> | <b>1,799.04</b> |
|               | Expenses during the year                                | 98.54           | 125.59          |
|               | Consumption during the year                             | (485.05)        | (777.69)        |
|               | <b>Closing balance</b>                                  | <b>760.43</b>   | <b>1,146.94</b> |
|               | <b>Reconciliation</b>                                   |                 |                 |
|               | <b>Non-current assets</b>                               |                 |                 |
|               | Immature crops  | 760.03          | 997.45          |
|               | <b>Total non-current assets</b>                         | <b>760.03</b>   | <b>997.45</b>   |
|               | <b>Current assets</b>                                   |                 |                 |
|               | Matured crops   | 0.40            | 149.49          |
|               | <b>Total current assets</b>                             | <b>0.40</b>     | <b>149.49</b>   |
|               | <b>Total Biological Assets Other Than Bearer Plants</b> | <b>760.43</b>   | <b>1,146.94</b> |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at           |                |
|--|-----------------|----------------|
|  | March 31, 2020  | March 31, 2019 |
| <b>Note 5 INVESTMENTS</b>  |                 |                |
| <b>Non Current</b>   |                 |                |
| <b>Investment in Subsidiaries</b>  |                 |                |
| <b>unquoted (at cost)</b>  |                 |                |
| 50,000 Shares of ₹ 10 each of Andhra Paper Foundation (Formerly IP India Foundation) (Refer Note 55)       | 5.00            | -              |
| <b>Total Investment in Subsidiaries</b>  | 5.00            | -              |
| <b>Investment in Associates **</b>   |                 |                |
| <b>Unquoted (at cost)</b>  |                 |                |
| 18,50,130 Equity Shares (Previous Year 18,50,130) of ₹ 10 each of Speciality Coatings & Lamination Limited | -               | -              |
| <b>Total Investment in Associates</b>  | -               | -              |
| <b>Total Investment in Subsidiaries and Associates</b>   | -               | -              |
| <b>Others</b>  |                 |                |
| <b>Quoted (at fair value through Profit or Loss)</b>   |                 |                |
| 5,42,399 Equity Shares (Previous Year : 5,42,399 ) of ₹ 10 each of Jayashree Chemicals Ltd                 | 15.62           | 39.22          |
| <b>Unquoted (at cost)</b>  |                 |                |
| 22,16,680 Equity Shares (Previous Year : 22,16,680) of ₹ 10 each of Fort Gloster Industries Limited        | -               | -              |
| 20,943 Equity Shares (Previous Year : 20,943) of ₹ 10 each of Kilkotagiri and Thirumbadi Plantations Ltd.  | 35.27           | 35.27          |
| 37 Equity Shares (Previous Year: 37) of ₹ 100 each of Placid Limited                                       | 0.01            | 0.01           |
| <b>Unquoted (at fair value through OCI)</b>  |                 |                |
| 13,40,000 equity shares of ₹ 10 each of Andhra Pradesh Gas Power Corporation Limited                       | 1,759.00        | -              |
| 30,000 Equity shares of ₹ 10 each of Somar Granites Private Limited  | 3.00            | -              |
| 2,12,800 equity shares of ₹ 10 each of Kedia Distillery Limited  | 61.71           | -              |
| <b>Total of Other Investments</b>  | <b>1,874.61</b> | <b>74.50</b>   |
| Less: Amount of impairment in value of investments:  |                 |                |
| Equity shares of ₹ 10 each of Somar Granites Private Limited   | (3.00)          | -              |
| Equity shares of ₹ 10 each of Kedia Distillery Limited   | (61.71)         | -              |
| <b>Investments in Government securities (at amortised cost)</b>  | <b>1,809.90</b> | <b>74.50</b>   |
| 6 Year National Savings Certificate  | 0.10            | 0.10           |
| <b>Total of Other Investments</b>  | <b>1,810.00</b> | <b>74.60</b>   |
| <b>Total of Non-Current Investments</b>  | <b>1,815.00</b> | <b>74.60</b>   |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|   | As at           |                  |
|---|-----------------|------------------|
|   | March 31, 2020  | March 31, 2019   |
| <b>Current</b>  |                 |                  |
| <b>Un-Quoted (at fair value through Profit or Loss)</b>   |                 |                  |
| Investments in Mutual Funds (at fair value through Profit or Loss)  |                 |                  |
| Axis Liquid Fund - Direct Growth  |                 |                  |
| 30,044.68 units (Previous year Nil Units) (NAV ₹ 2,204.34)  | 662.29          | -                |
| Axis overnight - 37,896.58 units (Previous year - Nil units)<br>(NAV ₹ 1,055.519)   | 400.00          | -                |
| Aditya Birla Sunlife Liquid Fund - Growth Direct Plan - 156,529.8 units<br>(Previous year - Nil units) (NAV ₹ 319.559)                              | 500.21          | -                |
| HDFC Liquid Fund - Direct Plan - Growth Option - 12,846.64 units<br>(Previous year - Nil units) (NAV ₹ 3,906.61)                                    | 501.87          | -                |
| ICICI Prudential Liquid Fund - Direct Plan - Growth - 68,116.46 units<br>(Previous year - Nil units) (NAV ₹ 293.782)                                | 200.11          | -                |
| SBI Liquid Fund Direct Growth - 12,870.36 units<br>(Previous year - Nil units) (NAV ₹ 3,109.018)  | 400.14          | -                |
| Axis Bank Liquid Fund - Direct Growth -<br>Nil units (Previous year 2,91,891 Units) of ₹ 10 each (NAV : ₹ Nil)<br>(Previous Year : ₹ 2,073.52)      | -               | 6,052.42         |
| HDFC Liquid Fund - Direct Growth -<br>Nil Units (Previous Year 1,09,699 Units) of ₹ 10 each (NAV : ₹ Nil)<br>(Previous Year : ₹ 3,678.29)           | -               | 4,035.04         |
| ICICI Prudential Liquid Fund - Direct Growth -<br>Nil Units (Previous Year 21,89,369 units) of ₹ 10 each<br>(NAV : ₹ Nil) (Previous Year ₹ 276.42 ) | -               | 6,051.78         |
| Kotak Liquid Direct Plan - Growth Fund -<br>Nil Units (Previous Year 1,59,866 Units) of ₹ 10 each<br>(NAV : ₹ Nil) (Previous Year ₹ 3,784.33)       | -               | 6,049.85         |
| <b>Total of Current Investments</b>   | <b>2,664.62</b> | <b>22,189.09</b> |
| <b>Total of Current and Non-Current Investments</b>   | <b>4,479.62</b> | <b>22,263.69</b> |
| Aggregate cost of quoted investments  | 94.96           | 94.96            |
| Aggregate market value of quoted investments  | 15.62           | 39.22            |
| Aggregate amount of unquoted investments  | 4,528.70        | 22,035.27        |
| Aggregate provision for diminution in value of investment   | 144.05          | 55.74            |

\*\* Investment in associates are valued at ₹ Nil due to erosion in net worth of associate companies resulting in impairment of value recognised in earlier years. The cost of investment was ₹ 185.01 Lakhs



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Note 6 | LOANS   | As at           |                |
|--------|---|-----------------|----------------|
|        |   | March 31, 2020  | March 31, 2019 |
|        | <b>Non-current</b>                            | -               | -              |
|        | <b>Total of Non-Current Loans</b>             | -               | -              |
|        | <b>Current</b>                                |                 |                |
|        | <b>Unsecured considered good</b>              |                 |                |
|        | a) Loan to employees                          | 53.26           | 50.16          |
|        | b) Others*                                    | 4,610.11        | -              |
|        | <b>Total of Current Loans</b>                 | <b>4,663.37</b> | <b>50.16</b>   |
|        | <b>Total of Current and Non-current Loans</b> | <b>4,663.37</b> | <b>50.16</b>   |

\* Unsecured Loans include Inter Corporate Deposit of ₹ 4,000 Lakhs placed with HDFC Limited. Maximum amount outstanding during the year was ₹ 4,000 Lakhs and amount outstanding as at March 31, 2020 is ₹ 4,000 Lakhs at the interest rate of 6.99% per annum, which are going to mature on different dates.

| Note 7 | OTHER FINANCIAL ASSETS (Unsecured considered good unless otherwise stated) |                 |               |
|--------|--|-----------------|---------------|
|        | <b>Non-current</b>   |                 |               |
|        | a) Security deposit  | 1,129.65        | 178.95        |
|        | <b>Total non-current financial assets</b>                                  | <b>1,129.65</b> | <b>178.95</b> |
|        | <b>Current</b>   |                 |               |
|        | a) Security deposit  | 275.17          | 165.01        |
|        | <b>Total current financial assets</b>                                      | <b>275.17</b>   | <b>165.01</b> |
|        | <b>Total of Other Financial Assets</b>                                     | <b>1,404.82</b> | <b>343.96</b> |

| Note 8 | OTHER NON-CURRENT ASSETS                         |                 |               |
|--------|--|-----------------|---------------|
|        | Capital advances                                 | 380.18          | 636.22        |
|        | Balances with statutory / government authorities | 3,340.61        | 50.00         |
|        | Prepaid expenses                                 | 30.46           | 9.26          |
|        | <b>Total Other Non-Current Assets</b>            | <b>3,751.25</b> | <b>695.48</b> |

| Note 9 | CURRENT TAX ASSETS (NET)  |                 |                 |
|--------|---|-----------------|-----------------|
|        | Advance tax / Tax paid at source (net of provision)*<br>(Refer Note No. 38(1)(b)) | 1,361.71        | 1,653.06        |
|        | <b>Total Current Tax Assets (Net)</b>   | <b>1,361.71</b> | <b>1,653.06</b> |

\* Provision for tax ₹ 6535.60 Lakhs and Advance Tax ₹ 6,880.00 Lakhs is pertaining to current year.

| Note 10 | DEFERRED TAX ASSETS (NET)                                  |                    |                    |
|---------|--|--------------------|--------------------|
|         | Deferred tax liabilities on account of WDV of fixed assets | (12,010.41)        | (13,876.10)        |
|         |  | <b>(12,010.41)</b> | <b>(13,876.10)</b> |
|         | <b>Deferred tax assets on account of:</b>                  |                    |                    |
|         | Disallowances under section 43B of Income Tax Act          | (656.10)           | (493.84)           |
|         | Adjustments to Ind AS                                      | (1,465.07)         | (1,420.96)         |
|         | Tax holiday period   | (2.46)             | (99.23)            |
|         | Provision for doubtful debts                               | (168.45)           | (130.19)           |
|         |  | (2,292.08)         | (2,144.22)         |
|         | <b>Total deferred tax liabilities</b>                      | <b>(9,718.33)</b>  | <b>(11,731.88)</b> |
|         | <b>Total Deferred Tax Liabilities net of Mat Credit</b>    | <b>(9,718.33)</b>  | <b>(11,731.88)</b> |
|         | Less: MAT Credit Entitlement                               | (14,393.34)        | (13,029.78)        |
|         | <b>Total Deferred Tax Assets (Net)</b>                     | <b>4,675.01</b>    | <b>1,297.90</b>    |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

|                            | As at            |                  |
|----------------------------|------------------|------------------|
|                            | March 31, 2020   | March 31, 2019   |
| <b>Note 11 INVENTORIES</b> |                  |                  |
| Raw Materials*             | 12,727.97        | 19,998.11        |
| Work in progress           | 2,690.08         | 539.03           |
| Finished Goods             | 14,425.10        | 3,492.66         |
| Stores and spares #        | 24,530.76        | 18,313.95        |
| Loose tools                | 317.33           | 291.55           |
| Stock at scrap             | 137.86           | 192.17           |
| <b>Total Inventories</b>   | <b>54,829.10</b> | <b>42,827.47</b> |

\* includes Raw Material in transit of ₹ 52.12 Lakhs (Previous Year : ₹ 1230.39 Lakhs)

# includes Stores and Spares in transit of ₹ 681.90 Lakhs (Previous Year : ₹ 273.36 Lakhs)

| <b>Note 12 TRADE RECEIVABLES (Unsecured considered good unless otherwise stated)</b> |                  |                  |
|--|------------------|------------------|
| <b>Current</b>   |                  |                  |
| Considered good - Secured  | 4,149.99         | 3,686.98         |
| Considered good - Unsecured *  | 10,051.00        | 12,640.45        |
| Considered Doubtful  | 571.13           | 372.56           |
|  | 14,772.12        | 16,699.99        |
| Less: Allowances for credit losses   | 571.13           | 372.56           |
| <b>Total Trade Receivables</b>   | <b>14,200.99</b> | <b>16,327.43</b> |

There are no outstanding receivables due from directors or key management persons of the company.

| <b>Note 13 CASH AND CASH EQUIVALENTS</b>                             |                 |               |
|--|-----------------|---------------|
| <b>Balance with banks</b>  |                 |               |
| In Current account   | 1,107.65        | 685.85        |
| Cash on hand   | 18.47           | 5.88          |
| Demand deposit accounts with original maturity of less than 3 months | 450.00          | -             |
| <b>Total Cash and Cash Equivalents</b>                               | <b>1,576.12</b> | <b>691.73</b> |

| <b>Note 14 OTHER BANK BALANCES</b>         |                  |               |
|--|------------------|---------------|
| In Unpaid Dividend Accounts                | 123.76           | 68.13         |
| In Margin Money deposits against guarantee | 455.04           | 240.85        |
| In Deposit Accounts*                       | 15,349.50        | 15.13         |
| <b>Total Other Bank Balances</b>           | <b>15,928.30</b> | <b>324.11</b> |

\* Includes deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date - ₹ 2096.50 Lakhs and ₹ 13253 Lakhs with original maturity of more than 12 months.



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

|   | As at           |                 |
|---|-----------------|-----------------|
|   | March 31, 2020  | March 31, 2019  |
| <b>Note 15 OTHER CURRENT ASSETS</b>                   |                 |                 |
| Advances other than capital advances                  |                 |                 |
| a) Payment to vendors for supply of goods & services  |                 |                 |
| - Considered good                                     | 3,915.05        | 1,031.00        |
| - Considered doubtful                                 | 37.08           | -               |
|   | 3,952.13        | 1,031.00        |
| Less: Provision for other doubtful loans and advances | 37.08           | -               |
|   | 3,915.05        | 1,031.00        |
| <b>Others</b>   |                 |                 |
| a) Prepaid expenses                                   | 234.31          | 182.81          |
| b) Other Assets                                       | 745.05          | 193.87          |
| c) Balances with Government authorities               | 3,644.96        | 118.68          |
| <b>Total Other Current Assets</b>                     | <b>8,539.38</b> | <b>1,526.36</b> |

|   |               |             |
|---|---------------|-------------|
| <b>Note 16 ASSETS CLASSIFIED AS HELD FOR SALE</b> |               |             |
| JFTC & OFC Plant                                  | 6.59          | 6.59        |
| Inventory Scrap Material from Dismantle Assets    | 208.28        | -           |
| <b>Total Assets classified as held for sale</b>   | <b>214.87</b> | <b>6.59</b> |

**Note:**

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of above assets was determined using the market value approach.

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Note 17 EQUITY SHARE CAPITAL</b>   |                 |                 |
| <b>Authorized</b>   |                 |                 |
| 150,000,000 (Previous Year : 150,000,000) Equity Share ₹ 2/- each   | 3,000.00        | 3,000.00        |
| 65,00,000 (Previous Year : 65,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each | 6,500.00        | 6,500.00        |
| <b>Total</b>  | <b>9,500.00</b> | <b>9,500.00</b> |
| <b>Issued, Subscribed and Paid-Up</b>   |                 |                 |
| 66,048,908 (Previous Year : 66,048,908) Equity Shares ₹ 2/- each fully paid up                              | 1,320.98        | 1,320.98        |
| <b>Total Equity share capital</b>   | <b>1,320.98</b> | <b>1,320.98</b> |

**Rights, preference and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

| Movements in equity share capital  | No. of Shares      | ₹ In Lakhs      |
|------------------------------------|--------------------|-----------------|
| <b>As at April 01, 2018</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |
| Shares issued during the year      | -                  | -               |
| Shares bought back during the year | -                  | -               |
| Redemption of shares               | -                  | -               |
| <b>As at March 31, 2019</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |
| Shares issued during the year      | -                  | -               |
| Shares bought back during the year | -                  | -               |
| Redemption of shares               | -                  | -               |
| <b>As at March 31, 2020</b>        | <b>6,60,48,908</b> | <b>1,320.98</b> |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Details of shareholders holding more than 5% shares

| Name of shareholders   | As at          |              |                |              |
|--|----------------|--------------|----------------|--------------|
|  | March 31, 2020 |              | March 31, 2019 |              |
|  | No. of Shares  | % of Holding | No. of Shares  | % of Holding |
| Veer Enterprises Ltd.  | 1,06,59,054    | 16.14        | 1,06,29,054    | 16.09        |
| Shree Satyanarayan Investments Co. Ltd.                      | 1,03,95,973    | 15.74        | 1,03,62,973    | 15.69        |
| Nippon India Smallcap fund (formerly Reliance Smallcap Fund) | 42,78,015      | 6.48         | 42,38,015      | 6.42         |

### Note 18 OTHER EQUITY

| Particulars   | Reserves & Surplus       |                   |                            |                                |                  | Other Comprehensive Income | Total attributable to owners of the Company | Attributable to Non Controlling Interest | Total              |
|---|--------------------------|-------------------|----------------------------|--------------------------------|------------------|----------------------------|---|--|--------------------|
|   | Security Premium Account | Retained Earnings | Capital Redemption Reserve | Equity Share Warrant Forfeited | General Reserve  |                            |   |  |                    |
| <b>Opening as on April 01, 2018</b>   | <b>14,572.54</b>         | <b>25,222.48</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(934.37)</b>            | <b>82,572.51</b>                            | -  | <b>82,572.51</b>   |
| Profit for the year   | -                        | 29,600.48         | -                          | -                              | -                | -                          | 29,600.48                                   | 0.01                                     | 29,600.49          |
| Impact due to Fair Value adjustment of Government Grant                           | -                        | -                 | -                          | -                              | -                | -                          | -   | -  | -                  |
| Remeasurement of net defined benefit liability/asset (net of tax)                 | -                        | -                 | -                          | -                              | -                | 25.32                      | 25.32                                       | -  | 25.32              |
| Dividends paid (including Dividend Distribution Tax)                              | -                        | (3,179.80)        | -                          | -                              | -                | -                          | (3,179.80)                                  | -  | (3,179.80)         |
| <b>Balance as on March 31, 2019</b>   | <b>14,572.54</b>         | <b>51,643.15</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,018.51</b>                          | <b>0.01</b>                              | <b>1,09,018.52</b> |
| <b>Opening as on April 01, 2019</b>   | <b>14,572.54</b>         | <b>51,643.15</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(909.05)</b>            | <b>1,09,018.51</b>                          | <b>0.01</b>                              | <b>1,09,018.52</b> |
| Non-controlling interest on acquisition of subsidiary                             | -                        | -                 | -                          | -                              | -                | -                          | -   | 28,028.66                                | 28,028.66          |
| Profit for the year   | -                        | 37,038.30         | -                          | -                              | -                | -                          | 37,038.30                                   | 3,611.12                                 | 40,649.42          |
| Impact due to Fair Value adjustment of Government Grant                           | -                        | -                 | -                          | -                              | -                | -                          | -   | -  | -                  |
| Remeasurement of net defined benefit liability/asset ( net of tax )               | -                        | -                 | -                          | -                              | -                | (585.06)                   | (585.06)                                    | (44.27)                                  | (629.33)           |
| Dividends paid (including Dividend Distribution Tax) (including Interim Dividend) | -                        | (7,967.75)        | -                          | -                              | -                | -                          | (7,967.75)                                  | -  | (7,967.75)         |
| <b>Balance as on March 31, 2020</b>   | <b>14,572.54</b>         | <b>80,713.70</b>  | <b>6,500.00</b>            | <b>277.50</b>                  | <b>36,934.35</b> | <b>(1,494.11)</b>          | <b>1,37,504.00</b>                          | <b>31,595.52</b>                         | <b>1,69,099.52</b> |

The Board of Directors of the Company at their meeting held on March 09, 2020, have declared an Interim Dividend of ₹ 5/- per Equity Share i.e. 250% on face value per Equity Share fully paid up for the financial year ended March 31, 2020.

- Security Premium Account** : This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve** : This Reserve has been created in relation to debenture issuance and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Equity Share Warrant Forfeited** : This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

- e. **General Reserve** : This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.
- f. **Other Comprehensive Income**: Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

|   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| <b>Note 19 NON CURRENT BORROWINGS</b>   |                |                |
| <b>Secured at amortized cost</b>  |                |                |
| <b>Non-convertible Debentures (NCD)</b>   | 19,800.00      | -              |
| <b>Term Loans</b>   |                |                |
| a) From Banks   |                |                |
| Rupee Loans   | 10,375.00      | 450.00         |
| Foreign Currency Loans  | 20,339.51      | 8,535.26       |
| b) Term Loans from Financial Institutions:  |                |                |
| Rupee Loans   | 7,500.00       | -              |
| Foreign Currency Loans  | -              | 1,627.30       |
| <b>Total Term Loans</b>   | 58,014.51      | 10,612.56      |
| Less: Unamortised value of transaction cost   | 311.99         | 62.00          |
| Less: Current maturities of Long Term Borrowings  | 12,479.26      | 4,159.86       |
| <b>Total Non-current Term Loans</b>   | 45,223.26      | 6,390.70       |
| <b>Unsecured at amortized cost</b>  |                |                |
| <b>Other loans</b>  |                |                |
| i) From Others  |                |                |
| Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka | 8,670.32       | 9,210.83       |
| Add: Fair value adjustment due to Ind AS adoption                                       | 59.55          | 494.12         |
| Less: Current maturity of Long Term Borrowings  | 469.97         | 665.43         |
| <b>Total Other Loans</b>  | 8,259.90       | 9,039.52       |
| <b>Total Non-Current Borrowings</b>   | 53,483.15      | 15,430.22      |

### Nature of security

#### Non-convertible debentures

- 10.30% p.a. interest bearing 1980 debentures of face value of ₹ 10,00,000 each issued on a private placement basis. NCDs are redeemable at par in 5 equal instalments at the end of 15th, 27th, 39th, 51st and 60th month from the deemed date of allotment on 18.10.2019. NCDs are secured by way of first charge on the entire movable fixed assets of the Company pertaining to the Paper Division at Dandeli, which gives a security cover of minimum 1.25x ranking pari passu with other term loan facilities and pledge over 51% shares of M/s Andhra Paper Limited ranking pari passu with term loan facility availed from Axis Finance Limited.

#### Term loan

- Loan from Axis Finance Limited is secured by way of first charge on the Company's movable fixed assets ranking pari passu with Standard Chartered Bank (SCB) and Axis Bank Limited and pledge over 51% shares of M/s Andhra Paper Limited ranking pari passu basis with Non Convertible Debentures.
- Loan from Axis Bank Limited is secured by way of first charge on the movable fixed assets including plant & machinery of Paper Division at Dandeli, which gives a security cover of minimum 1.25x ranking pari passu with other term loan facilities and SCB working capital facility.



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

- ECB Euro loan from Standard Chartered Bank(SCB) is secured by way of a first charge on the movable fixed assets of the Company pertaining to the Paper Division at Dandeli ranking pari passu with other term loan facilities and SCB working capital facility.
- ECB loan is repaid by way of taking over of balance USD 9.97 Million by Axis Bank Ltd from SCB is secured by way of first charge on company's movable fixed assets including plant and machinery of Paper Division at Dandeli, ranking pari passu with Axis Bank Limited.
- Term loan from Yes Bank Limited is secured by way of exclusive charge on present, future, movable & immovable assets of the subsidiary, West Coast Opticable Limited.

### Terms of repayment of term loan and other loans

As at March 31, 2020

| Particulars  | Amount Outstanding | Period                     | Terms of Repayment   |
|--|--------------------|----------------------------|--|
| <b>Non-Convertible Debentures (10.30% p.a.)</b>                    | 19,800.00          | Oct 2019 - Oct 2024        | Yearly instalment  |
| <b>Rupee Loan:</b>   |                    |                            |  |
| Axis Bank Ltd. (6 months MCLR + 0.75%)                             | 10,000.00          | July 2019 - July 2024      | Monthly instalment   |
| Axis Finance Ltd. (10.20% p.a.)                                    | 7,500.00           | Sep 2020 - Sep 2024        | Six monthly instalments  |
| Yes Bank Ltd. (9.70% p.a.)   | 337.50             | Mar 2019 - Mar 2024        | Monthly instalment   |
| <b>Foreign Currency Loan:</b>                                      |                    |                            |  |
| Standard Chartered Bank - ECB € Loan<br>(3 months EURIBOR + 2.25%) | 13,710.54          | May 2019 - Apr 2024        | Quarterly instalments  |
| Axis Bank Limited - ECB \$ Loan<br>(3 months LIBOR + 1.75%)        | 6,628.97           | Feb 2020 - Aug 2022        | Quarterly instalments  |
| Standard Chartered Bank - ECB \$ Loan<br>(3 months LIBOR + 1.75%)  | -                  | Aug 2017 - Feb 2020        | Quarterly instalments<br>\$9.97 Million balance taken over by Axis Bank Ltd. |
| <b>Interest free - Sales tax Loan</b>                              | 8,670.32           | June - 2014 to June - 2025 | Yearly instalments   |
| <b>Total Term Loan</b>   | <b>66,647.33</b>   |                            |  |

As at March 31, 2019

| Particulars   | Amount Outstanding | Period                     | Terms of Repayment      |
|---|--------------------|----------------------------|-------------------------|
| <b>Term Loans</b>   |                    |                            |                         |
| <b>Rupee Loan:</b>  |                    |                            |                         |
| Yes Bank Ltd. (9.70% p.a.)  | 450.00             | Mar 2019 - Mar 2024        | Monthly instalment      |
| <b>Foreign Currency Loan:</b>                                     |                    |                            |                         |
| IFC, Washington (4.37% p.a.)                                      | 1,627.30           | June - 2007 to July - 2019 | Six monthly instalments |
| Standard Chartered Bank - ECB \$ Loan<br>(3 months LIBOR + 1.75%) | 8,535.26           | Aug - 2017 to April - 2022 | Quarterly instalments   |
| <b>Interest free - Sales tax Loan</b>                             | 9,210.83           | June - 2014 to June - 2025 | Yearly instalments      |
| <b>Total term loan</b>  | <b>19,823.40</b>   |                            |                         |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Note 20 OTHER FINANCIAL LIABILITIES</b>                         |                  |                  |
| <b>Non-current</b>   |                  |                  |
| Others :   |                  |                  |
| Dealer Deposits  | 3,998.42         | 3,982.87         |
| Deferred Government Grant  | 2,498.59         | 3,726.29         |
| Lease liability  | 1,358.64         | -                |
| <b>Total Non-current Other Financial Liabilities</b>               | <b>7,855.65</b>  | <b>7,709.16</b>  |
| <b>Current</b>   |                  |                  |
| Current maturities of long term debts                              | 12,949.23        | 4,825.30         |
| Current maturities of Deferred Government Grant                    | 578.74           | 621.05           |
| Interest accrued but not due on borrowings                         | 563.30           | 75.00            |
| Unpaid dividend  | 123.76           | 68.13            |
| Trade or security deposits received                                | 2,798.04         | -                |
| Other financial liabilities  | 6,933.79         | 6,995.02         |
| Lease liability  | 483.36           | -                |
| Payable on purchase of fixed assets                                | 957.41           | 1,053.72         |
| <b>Total Current Other Financial Liabilities</b>                   | <b>25,387.63</b> | <b>13,638.22</b> |
| <b>Total Other Financial Liabilities</b>                           | <b>33,243.28</b> | <b>21,347.38</b> |
| <b>Note 21 PROVISIONS</b>  |                  |                  |
| <b>Non-current</b>   |                  |                  |
| Provision for Employee benefit                                     | 850.96           | 376.30           |
| <b>Total Non-Current Provisions</b>                                | <b>850.96</b>    | <b>376.30</b>    |
| <b>Current</b>   |                  |                  |
| Provision for Employee benefit                                     | 1,065.56         | 523.60           |
| <b>Other provisions</b>  |                  |                  |
| For contingencies (Refer Note 63)                                  | 5,530.66         | -                |
| For others   | 2,357.43         | -                |
| <b>Total Provisions</b>  | <b>8,953.65</b>  | <b>523.60</b>    |
| <b>Note 22 DEFERRED TAX LIABILITIES</b>                            |                  |                  |
| <b>Deferred tax liabilities on account of WDV of fixed assets</b>  | <b>14,146.11</b> | <b>-</b>         |
| <b>Deferred tax assets on account of:</b>                          |                  |                  |
| Carried forward of unabsorbed depreciation                         | (11.42)          | -                |
| Disallowances under Income Tax Act, 1961, allowed on payment basis | (1,518.98)       | -                |
| Long term capital loss carried forward                             | (20.86)          | -                |
| Financial assets at FVTOCI   | 51.39            | -                |
| Provision for doubtful debts                                       | (31.80)          | -                |
| Others   | (70.03)          | -                |
| Adjustments to Ind AS  | -                | -                |
| ASI - 3 Tax Holiday  | -                | -                |
|  | (1,601.70)       | -                |
| <b>Total Deferred Tax Liabilities</b>                              | <b>12,544.41</b> | <b>-</b>         |
| Less: MAT Credit Entitlement                                       | 6.24             | -                |
| <b>Total Deferred Tax Liabilities net of Mat Credit</b>            | <b>12,538.17</b> | <b>-</b>         |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at              |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| <b>Note 23 OTHER NON-CURRENT LIABILITIES</b>   |                    |                    |
| Decommissioning & Dismantling liability  | 7,209.76           | 6,833.56           |
| <b>Total other non-current liabilities</b>   | <b>7,209.76</b>    | <b>6,833.56</b>    |
| <b>Reconciliations</b>   |                    |                    |
| Opening Balance  | 6,833.56           | 6,471.30           |
| Unwinding of discounts and effect of change in discount rate   | 376.20             | 362.26             |
| Reduction arising from payments  | -                  | -                  |
| <b>Closing Balance</b>   | <b>7,209.76</b>    | <b>6,833.56</b>    |
| <b>Note 24 CURRENT BORROWINGS</b>  |                    |                    |
| <b>Current</b>   |                    |                    |
| <b>Secured</b>   |                    |                    |
| Loan repayable on demand from banks*   | 8,838.56           | 15,867.98          |
| <b>Total Current Borrowings</b>  | <b>8,838.56</b>    | <b>15,867.98</b>   |
| * The short term loans from Banks are secured by Joint Hypothecation of Stores, Spares, Raw Materials, Stock-in-process, Finished Goods, Book Debts etc., ranking pari-passu charge. |                    |                    |
| <b>Note 25 TRADE PAYABLES</b>  |                    |                    |
| <b>Trade Payables</b>  |                    |                    |
| Micro, Small and Medium Enterprises [Refer Note no. 51]  | 1,005.98           | 8.65               |
| Others   | 19,799.78          | 17,930.03          |
| <b>Total Trade Payables</b>  | <b>20,805.76</b>   | <b>17,938.68</b>   |
| <b>Note 26 OTHER CURRENT LIABILITIES</b>   |                    |                    |
| Statutory liabilities  | 831.17             | 706.09             |
| Other liabilities  | 5,912.67           | 2,622.83           |
| <b>Total Other Current Liabilities</b>   | <b>6,743.84</b>    | <b>3,328.92</b>    |
| <b>Note 27 REVENUE FROM OPERATIONS</b>   |                    |                    |
| <b>Sales of Products</b>   |                    |                    |
| Paper and Board  | 2,37,180.71        | 1,85,120.72        |
| Cables   | 10,459.51          | 11,675.92          |
| Wind Power   | 14.11              | 18.66              |
| <b>Other Operating Revenues</b>  |                    |                    |
| Export Promotion Incentive   | 308.42             | 103.64             |
| Scrap Sales  | 950.22             | 780.63             |
| Sale of saplings   | 3.82               | -                  |
| Incidental charges recovered from customers  | 13.15              | -                  |
| <b>Total Revenue From Operations</b>   | <b>2,48,929.94</b> | <b>1,97,699.57</b> |





## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|  | As at            |                  |
|--|------------------|------------------|
|  | March 31, 2020   | March 31, 2019   |
| <b>Note 33 EMPLOYEE BENEFITS EXPENSE</b>                         |                  |                  |
| Salaries, Wages and Bonus  | 19,339.57        | 11,743.48        |
| Contribution to Provident & Other Funds                          | 1,477.34         | 1,090.55         |
| Staff Welfare Expense  | 1,473.84         | 1,090.31         |
| <b>Total Employee Benefits Expense</b>                           | <b>22,290.75</b> | <b>13,924.34</b> |
| <b>Note 34 FINANCE COSTS</b>                                     |                  |                  |
| Interest Expense:  |                  |                  |
| Term Loans   | 3,141.14         | 755.91           |
| Others   | 2,000.13         | 991.81           |
| Interest cost on Sales Tax Loan                                  | 654.84           | 720.27           |
| Other Borrowing Costs  | 233.83           | 205.04           |
| Net Loss ( Gain ) on Foreign Currency Transactions & Translation | 1,466.05         | 251.50           |
| <b>Total Finance Costs</b>                                       | <b>7,495.99</b>  | <b>2,924.53</b>  |
| <b>Note 35 DEPRECIATION AND AMORTISATION EXPENSE</b>             |                  |                  |
| Depreciation on Property, Plant and Equipments                   | 19,098.08        | 17,456.74        |
| Amortisation of Intangible Assets                                | 462.35           | 145.46           |
| Amortisation of Right of use Asset                               | 225.36           | -                |
| <b>Total Depreciation and Amortisation</b>                       | <b>19,785.79</b> | <b>17,602.20</b> |
| <b>Note 36 OTHER EXPENSES</b>                                    |                  |                  |
| Consumption of Stores & Spare Parts                              | 8,010.56         | 5,965.04         |
| Power, coal and water  | 21,860.69        | 17,801.43        |
| Rent   | 381.17           | 243.39           |
| Repair and maintenance of Buildings                              | 1,933.43         | 1,501.00         |
| Repair and maintenance of Plant and Machinery                    | 2,588.05         | 1,651.26         |
| Repair and maintenance of Other Assets                           | 740.64           | 308.22           |
| Insurance  | 306.05           | 180.59           |
| Rates & Taxes  | 118.51           | 59.34            |
| Research & Development Expenses                                  | 101.28           | 47.16            |
| Miscellaneous Expenses   | 4,645.29         | 1,987.14         |
| Payment to Auditors [Refer Note - 52]                            | 73.19            | 36.06            |
| Foreign exchange variation                                       | 28.76            | 515.13           |
| Forwarding Charges on Sales                                      | 1,643.46         | 1,001.10         |
| Commission on Sales  | 743.12           | 1,125.43         |
| Bad Debts  | -                | 56.19            |
| Provision for doubtful debts                                     | 109.17           | -                |
| Provision for diminution in value of investment                  | 23.60            | 25.82            |
| Commission to Director   | 1,431.02         | 1,457.13         |
| Directors' Fees  | 26.67            | 7.95             |
| Charity & Donations  | 32.10            | 35.32            |
| Corporate Social Responsibility Expenses [Refer Note - 50]       | 476.87           | 177.37           |
| Obsolete Assets Written Off / discarded                          | -                | 482.24           |
| Loss on Sale of Property, Plant & Equipment                      | 139.58           | 0.01             |
| Loss of stock due to fire (Net)                                  | 26.53            | -                |
| <b>Total Other Expenses</b>                                      | <b>45,439.74</b> | <b>34,664.32</b> |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

|   | As at             |                   |
|---|-------------------|-------------------|
|   | March 31, 2020    | March 31, 2019    |
| <b>Note 37 INCOME TAX EXPENSE</b>   |                   |                   |
| <b>Current Tax Expense</b>  |                   |                   |
| Current Tax on profits for the year   | 6,535.60          | 6,803.22          |
| Current Tax on profits for earlier years  | (93.15)           | -                 |
| Mat Credit Entitlement for the year   | (1,234.50)        | (875.75)          |
| Mat Credit Entitlement for earlier years  | (135.30)          | (1,256.10)        |
| <b>Total Current Tax Expense</b>  | <b>5,072.65</b>   | <b>4,671.37</b>   |
| <b>Deferred Tax</b>   |                   |                   |
| <b>Decrease / (Increase) in deferred tax assets</b>   |                   |                   |
| Property, Plant and Equipments  | (6,264.95)        | (1,618.40)        |
| <b>(Decrease) / Increase in deferred tax liabilities</b>  |                   |                   |
| Disallowance under section 43B  | 215.55            | (46.00)           |
| Long term capital loss carried forward  | 0.71              |                   |
| ASI - 3 tax holiday claim   | 96.77             | 258.06            |
| Adjustments to Ind AS   | (44.11)           | (168.10)          |
| On account of foreign exchange differences  |                   | (1.87)            |
| Provision for doubtful debts  | (24.49)           | (130.19)          |
| Others  | -                 | -                 |
| <b>Total Deferred Tax Expense / (Income)</b>  | <b>(6,020.52)</b> | <b>(1,706.50)</b> |
| <b>Total Income Tax Expense</b>   | <b>(947.87)</b>   | <b>2,964.87</b>   |
| <b>Note 38 CONTINGENT LIABILITIES AND COMMITMENTS</b>   |                   |                   |
| <b>Contingent Liabilities &amp; Commitments</b>   |                   |                   |
| <b>a. Contingent Liabilities :</b>  |                   |                   |
| I. Claims against the Company not acknowledged as debts in respect of   |                   |                   |
| a. Income tax matters, pending decisions on various appeals made by the Company and by the Department (refer Note I below) (refund adjusted against demand ₹ 662 Lakhs Previous Year ₹ 1,958 Lakhs) | 3,437.42          | 1,551.00          |
| b. Excise matters & Service Tax under dispute (paid under protest nil, previous year nil)   | 1,972.10          | 71.18             |
| c. Custom matter under dispute (paid under protest nil, previous year nil)  | 540.27            | 540.27            |
| d. Sales Tax matter under dispute   | 372.06            | 30.66             |
| e. Other matters under dispute  | 3,961.20          | 2,446.64          |
| II. Other money for which the company is contingently liable :  |                   |                   |
| a. Corporate Guarantee given to Subsidiary's Bankers (at the close of the year)   | 375.00            | 450.00            |
| <b>b. Commitments :</b>   |                   |                   |
| I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance of ₹ 364 Lakhs - Previous Year ₹ 285.28 Lakhs)                                    | 2,972.64          | 2,609.34          |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

### Notes :

#### I Income Tax

- a. The Income Tax assessments of the Company have been completed up to AY 2016-17.
- b. In the books of accounts, the company is accounting Income Tax refunds after adjustment of Tax demands by Income Tax authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Company is contesting those tax demands/ disallowances at appropriate level. The company has therefore not recorded adjustment of taxes/order in books.
- c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:  
The Company claimed deduction under Section 80-IA of the Income Tax Act 1961 in its return of income for Power Undertaking for financial year 1998-99 to 2019-20 and for Effluent (Water) treatment for financial year 2016-17 to 2019-20. The assessing officer disallowed the benefit of deductions at assessment stage. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT partly allowed the appeals of the company. Department / Company have preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favorable outcome.
- d. The total demand outstanding as on March 31, 2020 on account of income tax dues is ₹ 3,437.42 Lakhs (₹ 1,551 Lakhs), net of tax paid/adjusted under protest ₹ 662 Lakhs.

#### Note 39 Loan Purchase Agreement

The Company had entered into a loan purchase agreement with ICICI Bank Ltd. for ₹. 4,000 Lakhs in respect of borrowings of Shree Rama Newsprint Limited (SRNL) after sale of its investment in shares of SRNL. The loan purchase agreement stipulates that upon occurrence of default ICICI Bank Ltd. will have "a right" to require the Company to purchase the loan outstanding of SRNL along with transfer of underlying security by ICICI Bank Ltd., to the Company. The outstanding balance as at March 31, 2020 of SRNL loan is ₹ 3,870 Lakhs with principal repayment due by June 30, 2025. The Company does not foresee any event of default, further the security value is significantly higher than the outstanding loan balance and hence no liability is envisaged in this respect.

#### Note 40 EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33

| Particulars  | As at          |                |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| <b>Earnings</b>  |                |                |
| Profit for the year  | 37,038.30      | 29,600.49      |
| <b>Shares</b>  |                |                |
| Number of shares at the beginning of the period                        | 6,60,48,908    | 6,60,48,908    |
| Add : Shares issued during the period                                  |                |                |
| Total number of equity shares outstanding at the end of the period     | 6,60,48,908    | 6,60,48,908    |
| Weighted average number of equity shares outstanding during the period | 6,60,48,908    | 6,60,48,908    |
| Earnings per share of par value ₹ 2 - Basic (₹)                        | 56.08          | 44.82          |
| Diluted (₹)  | 56.08          | 44.82          |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**Note 41 RELATED PARTY DISCLOSURES AS PER IND AS 24****I. Relationship :****a. Associate Company**

- 1) Speciality Coatings and Laminations Ltd.

**b. Enterprises where principal shareholders have control**

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investments Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust
- 5) Shree Ram Trust
- 6) The Marwar Textiles Agency Pvt. Ltd.
- 7) Kilkotagiri & Thirumbadi Plantations Ltd.
- 8) PF Trust of Andhra Paper Ltd.

**c. Key Management Personnel (KMP)**

- 1) Shri S.K.Bangur, (Chairman & Managing Director)
- 2) Shri Rajendra Jain (Executive Director)
- 3) Shri Brajmohan Prasad (Company Secretary)

**d. Relative of Key Management Personnel**

- 1) Smt. Shashi Bangur
- 2) Shri Virendraa Bangur
- 3) Shri Saurabh Bangur

**e. Company in which Director is common**

- 1) Gloster Cables Ltd

**f. Non-Executive/Independent Directors on the Board**

- 1) Shri Saurabh Bangur
- 2) Smt. Shashi Bangur
- 3) Shri Virendraa Bangur (w.e.f November 12, 2019)
- 4) Shri P N Kapadia
- 5) Lt. Gen. Utpal Bhattacharyya, PVSM,AVSM (Retd.)
- 6) Shri Krishna Kumar Karwa
- 7) Shri M. P. Taparia
- 8) Shri Amitav Kothari
- 9) Shri Sudarshan Somani

**II. The following is a summary of related party transactions**

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| i. Rent paid to :   |                |                |
| 1) Veer Enterprises Ltd.  | 115.18         | 63.44          |
| 2) Shree Satyanarayan Investment Company Ltd.                       | 71.68          | 46.83          |
| 3) Siddhi Trade & Holdings Pvt. Ltd.                                | 16.23          | 15.97          |
| 4) Shri S. K. Bangur  | 22.41          | 21.35          |
| 5) Smt. Shashi Bangur   | 4.80           | 0.80           |
| 6) The Marwar Textiles Agency Pvt Ltd                               | 0.65           | 0.65           |
| ii. Charity & Donations :   |                |                |
| 1) Rangnath Bangur Charitable Trust                                 | 30.00          | 30.00          |
| 2) Shree Ram Trust  | 2.10           | 5.32           |
| iii. Compensation to KMP :  |                |                |
| Salary & other Employee benefit to Directors and Executive Officers | 1,669.98       | 1,819.03       |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | As at          |                |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| iv. Compensation to Shri Virendraa Bangur                | 25.37          | 28.00          |
| v. Purchases from Gloster Cables Ltd.                    | 114.24         | 241.74         |
| vi. Rent received from Gloster Cables Ltd.               | 10.80          | 10.80          |
| vii. Sales to Killkotagiri & Thirumbadi Plantations Ltd. | 1.87           | 2.47           |
| viii. Contribution to PF Trust of Andhra Paper Ltd.      | 236.66         | -              |

### III. The Company has the following amounts due to/from related parties :

|   |       |       |
|---|-------|-------|
| i. Due to related Parties   |       |       |
| 1) Gloster Cables Ltd. - Purchases                                | 11.71 | 23.91 |
| ii. Due from related Parties                                      |       |       |
| 1) Veer Enterprises Ltd. - Security Deposit                       | 11.77 | 5.55  |
| 2) Shree Satyanarayan Investments Company Ltd. - Security Deposit | 21.10 | 6.60  |
| 3) Smt. Shashi Bangur - Security Deposit                          | 2.40  | 2.40  |
| 4) Killkotagiri & Thirumbadi Plantations Ltd. - Sales             | 3.67  | 4.62  |

#### Note 42 EARNINGS IN FOREIGN CURRENCY

|                             |          |          |
|-----------------------------|----------|----------|
| Export on FOB/CIF/CFR basis | 8,114.98 | 2,073.89 |
|-----------------------------|----------|----------|

#### Note 43 EMPLOYEE BENEFIT PLANS

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

##### [A] Defined Contribution Plan

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

| Particulars  | For the year |         |
|--|--------------|---------|
|  | 2019-20      | 2018-19 |
| Employer's Contribution to Provident Fund/Pension Fund | 1,107.95     | 797.62  |
| Employer's Contribution to Superannuation Fund         | 56.98        | 37.90   |

##### [B] Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

##### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

| Particulars  | For the year |          |
|--|--------------|----------|
|  | 2019-20      | 2018-19  |
| Opening defined benefit obligation (₹ 2,767.13 lakhs of APL) | 5,800.32     | 2,968.47 |
| Current Service cost   | 374.17       | 152.83   |
| Interest Cost  | 434.21       | 233.94   |
| Benefits paid  | (331.15)     | (248.51) |
| Actuarial losses/(gain)                                      | 499.59       | (73.98)  |
| Obligations at the end of the period                         | 6,777.14     | 3,032.75 |

##### Change in Plan Assets

|   |          |          |
|---|----------|----------|
| Opening fair value of plan assets (₹ 2,623.58 lakhs of APL) | 5,505.27 | 2,927.06 |
| Interest income on plan assets                              | 417.20   | 230.65   |
| Actuarial gain/(Losses)                                     | (298.55) | (48.66)  |
| Contributions by employer                                   | 511.54   | 247.85   |
| Assets transferred out / divestments                        | -        | (226.70) |
| Benefits paid   | (331.10) | (248.51) |
| Closing fair value of plan assets                           | 5,804.36 | 2,881.69 |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**Amount recognized in Balance Sheet**

| Particulars                         | For the year |          |
|-------------------------------------|--------------|----------|
|                                     | 2019-20      | 2018-19  |
| Present value of funded obligations | 6,777.14     | 3,032.75 |
| Fair Value of Plan assets           | 5,804.36     | 2,881.69 |
| Net Asset / (Liability)             | (972.78)     | (151.06) |

**Expense recognised in statement of Profit and Loss Account**

| Particulars  | For the year |          |
|--|--------------|----------|
|  | 2019-20      | 2018-19  |
| Current service cost   | 263.02       | 152.83   |
| Interest Cost  | 238.36       | 233.94   |
| Interest income on plan assets                               | (223.62)     | (230.65) |
| Net Income/Expenses recognized in Statement of Profit & Loss | 277.76       | 155.67   |

**Expense recognised in Other Comprehensive Income**

| Particulars  | For the year |         |
|--|--------------|---------|
|  | 2019-20      | 2018-19 |
| Actuarial (Gain) / Losses on Obligation for the period         | 499.60       | (73.98) |
| Return on Plan Assets, Excluding Interest Income               | 298.55       | 48.66   |
| Net (Income)/Expenses recognized in Other Comprehensive Income | 798.15       | (25.32) |

**Sensitivity Analysis**

| Particulars                                 | For the year |          |
|---|--------------|----------|
|   | 2019-20      | 2018-19  |
| Effect of +1% increase in discount rate     | (298.33)     | (154.80) |
| Effect of -1% decrease in discount rate     | 331.09       | 174.17   |
| Effect of +1% increase in Salary rate       | 341.38       | 184.64   |
| Effect of -1% decrease in Salary rate       | (310.98)     | (166.08) |
| Effect of +1% increase in Employee turnover | 102.03       | 100.75   |
| Effect of -1% decrease in Employee turnover | (111.51)     | (110.28) |

**Maturity Profile of projected benefit obligation from the fund**

| Particulars               | For the year |          |
|---------------------------|--------------|----------|
|                           | 2019-20      | 2018-19  |
| 1st following year        | 1,448.86     | 724.13   |
| 2nd following year        | 634.60       | 195.73   |
| 3rd following year        | 727.92       | 266.25   |
| 4th following year        | 624.69       | 298.85   |
| 5th following year        | 570.89       | 305.07   |
| Sum of years 6 to 10      | 2,876.03     | 1,128.60 |
| Sum of years 11 and above | 4,962.99     | 2,324.87 |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Category of Plan Assets

| Particulars                     | For the year |         |
|---------------------------------|--------------|---------|
|                                 | 2019-20      | 2018-19 |
| <b>Managed by:</b>              |              |         |
| LIC                             | 29.46%       | 55.23%  |
| Aditya Birla Capital            | 0.96%        | 1.83%   |
| ICICI Prudential Life Insurance | 21.79%       | 42.94%  |
| Insurer Managed Funds - AP      | 47.79%       | -       |

### Financial assumptions at the valuation date

| Particulars   | For the year  |         |
|---|---------------|---------|
|   | 2019-20       | 2018-19 |
| Discount rate   | 6.83%         | 7.76%   |
| Estimated rate of return on Plan assets (WCPM/APL)          | 6.83% / 7.50% | 7.76%   |
| Salary escalation over and above highest of salary in grade | 1.00%         | 1.00%   |

### Note 44 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR)

| Particulars  | 2019-20          |                    | 2018-19          |
|--|------------------|--------------------|------------------|
|  | Final of 2018-19 | Interim of 2019-20 | Final of 2017-18 |
| Number of non-resident shareholders                      | 464              | 488                | 302              |
| Number of shares held by them on which dividend was paid | 2,88,340         | 2,86,769           | 2,23,350         |
| Amount remitted - net of tax (₹ lakhs)                   | 14.42            | 14.34              | 8.93             |

### Note 45 SEGMENT INFORMATION

Pursuant to Accounting Ind As 108 – Segment Reporting, information about Business Segments ( Information provided in respect of revenue items for the year ended March 31, 2020 and in respect of assets / liabilities as at March 31, 2020 is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “ Unallocable”

| Particulars                              | Paper              |                    | Cables           |                  | Others        |               | Unallocable       |                   | Total              |                    |
|--|--------------------|--------------------|------------------|------------------|---------------|---------------|-------------------|-------------------|--------------------|--------------------|
|  | 2019-20            | 2018-19            | 2019-20          | 2018-19          | 2019-20       | 2018-19       | 2019-20           | 2018-19           | 2019-20            | 2018-19            |
| Segment Revenue                          |                    |                    |                  |                  |               |               |                   |                   |                    |                    |
| Turnover                                 | 2,38,385.04        | 1,86,100.50        | 10,886.30        | 11,795.59        | 14.11         | 18.66         |                   |                   | 2,49,285.45        | 1,97,914.75        |
| <b>Total Turnover</b>                    | <b>2,38,385.04</b> | <b>1,86,100.50</b> | <b>10,886.30</b> | <b>11,795.59</b> | <b>14.11</b>  | <b>18.66</b>  |                   |                   | <b>2,49,285.45</b> | <b>1,97,914.75</b> |
| Segment result before Interest and Taxes | 44,515.42          | 34,766.40          | 2,114.90         | 1,788.62         | (1.46)        | (5.26)        |                   |                   | 46,628.86          | 36,549.76          |
| Less : Interest Expenses                 |                    |                    |                  |                  |               |               | 7,495.99          | 2,924.53          | 7,495.99           | 2,924.53           |
| Less : Other Expenditure                 |                    |                    |                  |                  |               |               | (568.68)          | 1,059.87          | (568.68)           | 1,059.87           |
| <b>Profit Before Tax</b>                 | <b>44,515.42</b>   | <b>34,766.40</b>   | <b>2,114.90</b>  | <b>1,788.62</b>  | <b>(1.46)</b> | <b>(5.26)</b> | <b>(6,927.31)</b> | <b>(3,984.40)</b> | <b>39,701.55</b>   | <b>32,565.36</b>   |
| Current Tax                              |                    |                    |                  |                  |               |               | 6,442.45          | 6,803.22          | 6,442.45           | 6,803.22           |
| MAT Credit                               |                    |                    |                  |                  |               |               | (1,369.80)        | (2,131.85)        | (1,369.80)         | (2,131.85)         |
| Deferred Tax                             |                    |                    |                  |                  |               |               | (6,020.52)        | (1,706.50)        | (6,020.52)         | (1,706.50)         |
| <b>Profit for the year</b>               | <b>44,515.42</b>   | <b>34,766.40</b>   | <b>2,114.90</b>  | <b>1,788.62</b>  | <b>(1.46)</b> | <b>(5.26)</b> | <b>(5,979.44)</b> | <b>(6,949.27)</b> | <b>40,649.42</b>   | <b>29,600.49</b>   |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars                   | Paper       |             | Cables   |          | Others  |         | Unallocable |         | Total       |             |
|-------------------------------|-------------|-------------|----------|----------|---------|---------|-------------|---------|-------------|-------------|
|                               | 2019-20     | 2018-19     | 2019-20  | 2018-19  | 2019-20 | 2018-19 | 2019-20     | 2018-19 | 2019-20     | 2018-19     |
| <b>Other Informations</b>     |             |             |          |          |         |         |             |         |             |             |
| Segment Assets                | 3,15,567.29 | 1,81,986.97 | 7,472.12 | 9,950.95 | 48.22   | 48.22   | -           | -       | 3,23,087.63 | 1,91,986.14 |
| Segment Liabilities           | 1,51,671.39 | 79,251.26   | 995.72   | 2,395.38 | -       | -       | -           | -       | 1,52,667.11 | 81,646.64   |
| Capital Expenditure           | 11,043.22   | 15,361.23   | 522.13   | 1,702.88 | -       | -       | -           | -       | 11,565.35   | 17,064.11   |
| Depreciation/<br>Amortisation | 19,666.30   | 17,493.77   | 119.41   | 105.27   | 0.08    | 3.16    | -           | -       | 19,785.79   | 17,602.20   |

**Note 46** Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement of ₹ 1,234.50 Lakhs (Previous year ₹ 875.75 Lakhs) has been recognized.

**Note 47** EVENT OCCURRING AFTER BALANCE SHEET DATE**Dividend proposed to be distributed**

| Particulars  | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Dividend proposed for equity share holders @ ₹ Nil per share (Previous Year ₹ 5/- per share) | -              | 3302.45        |
| Dividend Distribution Tax  | -              | 678.82         |

**Note 48** INTERIM DIVIDEND**Interim Dividend Paid during 2019-20**

| Particulars   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Interim Dividend paid to equity share holders @ ₹ 5/- per share (Previous Year ₹ Nil per share) | 3302.45        | -              |
| Dividend Distribution Tax   | 678.82         | -              |

**Note 49** As per Ind AS 41 on "Agriculture" the company has fair valued its matured crops except for the crops fully matured at its Kuluwali plantation, Karnataka, since there is an on-going litigation and same will be accounted in the books of accounts upon the final disposal of the case.

**Note 50** EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule VII are as below :

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Gross amount required to be spent by the Company during the year               | 910.53             | 362.78         |
| Amount spent during the year (including previous carried forward of last year) | 476.87             | 177.37         |
| Promotion of Art & Culture   | 19.69              | 19.35          |
| Promotion of Social Activities and Creation of Infrastructure                  | 136.45             | 63.44          |
| Health Care  | 14.31              | 2.7            |
| Sports and Games   | 11.44              | 5.57           |
| Others   | 294.98             | 86.31          |
|  | <b>476.87</b>      | <b>177.37</b>  |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Note 51 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| a. Principal amount remaining unpaid to suppliers at the end of the year  | 1005.98        | 8.65           |
| b. Interest due thereon remaining unpaid to suppliers at the end of the year                                    | 21.15          | -              |
| c. The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day | -              | -              |
| d. The amount of interest due and payable   | -              | -              |
| e. The amount of interest accrued and remaining unpaid at the end of accounting year                            | 21.15          | -              |
|   | <b>1027.13</b> | <b>8.65</b>    |

### Note 52 OTHER DISCLOSURE REQUIRED BY STATUTE

| Particulars                                | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| <b>1. Statutory Auditors</b>               |                    |                |
| i. Audit Fees #                            | 41.00              | 21.00          |
| ii. Limited review under listing agreement | 8.00               | 3.75           |
| iii. Taxation Matters                      | 8.43               | 5.00           |
| iv. Reimbursement of Expenses              | 7.78               | 4.96           |
| v. Other Services                          | 3.50               | -              |
|  | <b>68.72</b>       | <b>34.71</b>   |
| <b>2. Cost Auditors</b>                    |                    |                |
| i. Audit Fee                               | 4.20               | 1.30           |
| ii. Reimbursement of Expenses              | 0.27               | 0.05           |
|  | <b>4.47</b>        | <b>1.35</b>    |

# Includes ₹ 3.75 Lakhs relating to Financial Year 2017-18

### Note 53 INCOME TAX

#### a Amount recognised in Statement of Profit and Loss

| Particulars   | For the year ended |                 |
|---|--------------------|-----------------|
|   | March 31, 2020     | March 31, 2019  |
| Current Income Tax  |                    |                 |
| - Current Year  | 6,442.45           | 6,803.22        |
| - MAT Credit Entitlement / Reversal                                   | (1,369.80)         | (2,131.85)      |
| Deferred Tax  | (6,020.52)         | (1,706.50)      |
| <b>Income Tax Expense reported in the Statement of Profit or Loss</b> | <b>(947.87)</b>    | <b>2,964.87</b> |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## b Reconciliation of Effective Tax Rate

| Particulars  | For the year ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2020     | March 31, 2019  |
| <b>Profit Before Tax</b>   | 39,701.55          | 32,565.36       |
| Enacted Income Tax Rate (For WCPM - 34.944% & For APL 25.168%)     | 32.322%            | 34.944%         |
| Tax at applicable Statutory Income Tax Rate                        | 12,832.37          | 11,379.64       |
| Effect of Various Disallowance of expense                          | 537.91             | 170.87          |
| Effect of Deduction under chapter VIA of IT Act                    | (4,923.96)         | (5,183.88)      |
| Effect of reinstatement of DTL while Ind AS adoption               | (105.89)           | 230.35          |
| Effect of Ins AS Adjustments to reduce DTL                         | (213.51)           | (168.10)        |
| Effect of change in Tax rate (In case of APL)                      | 3,019.01           | —               |
| Effect of timing differences in DTL for taxes & Depreciation       | (4,634.53)         | 534.73          |
| Other Differences  | (68.95)            | (160.39)        |
| <b>Tax Expense recognised in Statement of Profit &amp; Loss</b>    | <b>6,442.45</b>    | <b>6,803.22</b> |
| <b>Effective Tax Rate (Actual or MAT rate whichever is higher)</b> | <b>16.23%</b>      | <b>20.89%</b>   |

### Note 54 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

- The Company has prepared consolidated financial as required under Ind AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.
- In view of acquisition of Andhra Paper Limited as subsidiary from October 30, 2019, the consolidated financial Statements for the year ended March 31, 2020 are not comparable with corresponding figures.
- At the end of the year the Company has one Associate Company as defined in Section 2(6) of Companies Act, 2013. The Investment in Associate Company has been fully impaired in earlier years, in accordance with Para 38 & 39 of Ind AS 28, the company has not recognised additional loss over the investment during the year.

### Note 55 COMPANIES INCLUDED / NOT INCLUDED IN CONSOLIDATION

The wholly owned subsidiary of Andhra Paper Ltd, Andhra Paper Foundation (Formerly known as IP India Foundation), carries out Corporate Social Responsibility activities. The same is not considered for the purpose of consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.

### Note 56 ACQUISITION OF ANDHRA PAPER LTD.

Pursuant to Share Purchase Agreement dated May 29, 2019, the Company acquired on October 29, 2019 1,39,02,025 equity shares of ₹ 10/- each from International Paper Investments (Luxembourg) S.a.r.l and 79,71,496 equity shares of ₹ 10/- each from IP International Holdings Inc. aggregating 55% of the paid up share capital of International Paper APPM Ltd (IPAPPM). In terms of Letter of Offer dated August 30, 2019, the Company acquired 68,39,879 equity shares of ₹ 10/- each representing 17.20% of the paid up share capital of IPAPPM from public shareholders on October 11, 2019. Consequently w.e.f. October 30, 2019, IPAPPM has become a subsidiary of the Company. W.e.f. January 9, 2020, the name of IPAPPM has been changed to Andhra Paper Limited (APL).



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Note 57 BUSINESS COMBINATIONS

### a Summary of acquisition

Pursuant to Share Purchase Agreement dated May 29, 2019, the parent entity acquired 55% of the paid up share capital of International Paper APPM Limited (now APL) from its promoters and thereafter, 17.20 % of the paid up share capital from public shareholders for an aggregate amount of ₹ 91,159.94 Lakhs. Consequently, IPAPPM has become a subsidiary of the Company having total share holding of 72.20% w.e.f. October 30th, 2019. The acquisition would bring synergies to the Group as APL is in the same line of business as the Parent Company.

As per Ind AS103, the allocation of Purchase Consideration towards the Net Assets acquired & Goodwill has been considered on the basis of fair valuation determined by an Independent Valuer, as per details given below:

### i Calculation of Purchase Consideration

| Particulars                                       | Amount<br>₹ in Lakhs |
|---|----------------------|
| Paid for shares acquired from IPAPPM (promoters)  | 60,152.18            |
| Paid for shares acquired from public shareholders | 31,007.75            |
| <b>Total Consideration paid</b>                   | <b>91,159.94</b>     |

ii The value of 2,18,73,521 shares acquired from promoters of IP APPM was based on the share price of ₹ 275/- per share. 68,39,879 shares acquired from public was based on the share price of ₹ 452.60/- per share.

For the purpose of preparation of the Group's audited consolidated financial statements, APL has been considered as a subsidiary with effect from close of business on October 31, 2019 for the sake of convenience, as there were no material changes in the amounts recognised for APL between October 30, 2019 to October 31, 2019.

**The assets and liabilities recognised as a result of the acquisition as on October 31, 2019 are as follows :**

| Particulars                                 | Fair Value<br>₹ In Lakhs |
|---|--------------------------|
| Property, plant and equipment               | 78,550.20                |
| Capital work-in-progress                    | 821.94                   |
| Right-of- use assets                        | 1,837.09                 |
| Intangible assets - other than Good will    | 168.70                   |
| Intangible assets Identifiable intangibles  | 12,900.00                |
| <b>Financial assets</b>                     |                          |
| (i) Investments                             | 1,716.00                 |
| (ii) Loans                                  | 3.70                     |
| (iii) Other financial assets                | 970.48                   |
| Non-current tax assets (net)                | 375.59                   |
| Other non-current assets                    | 3,349.31                 |
| <b>Total non-current assets</b>             | <b>1,00,693.01</b>       |
| Inventories                                 | 14,897.32                |
| <b>Financial assets</b>                     |                          |
| (i) Investments                             | 655.13                   |
| (ii) Trade receivables (Refer Note 1 below) | 7,785.21                 |
| (iii) Cash and cash equivalents             | 2,303.33                 |
| (iv) Other bank balances                    | 9,669.78                 |
| (v) Loans                                   | 2,139.16                 |
| (vi) Other financial assets                 | 394.39                   |
| Other current assets                        | 7,012.02                 |
| <b>Total</b>                                | <b>44,856.34</b>         |
| Assets classified as held for sale          | 452.84                   |
| <b>Total current assets</b>                 | <b>45,309.18</b>         |
| <b>Total assets</b>                         | <b>1,46,002.19</b>       |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars   | Fair Value<br>₹ In Lakhs |
|---|--------------------------|
| <b>Financial liabilities</b>                              |                          |
| (i) Borrowings  | 897.50                   |
| (ii) Other financial liabilities                          | 2,028.70                 |
| Provisions  | 129.52                   |
| Deferred tax liabilities (net)                            | 13,532.84                |
| Non-current tax liabilities (net)                         | -                        |
| <b>Total non-current liabilities</b>                      | <b>16,588.56</b>         |
| <b>Financial liabilities</b>                              |                          |
| (i) Borrowings  | -                        |
| (ii) Trade payables                                       | 11,142.27                |
| (iii) Other financial liabilities                         | 3,726.10                 |
| Provisions  | 3,448.09                 |
| Other current liabilities                                 | 2,859.22                 |
| <b>Total current liabilities</b>                          | <b>21,175.68</b>         |
| Provision for Contingent Liabilities (Refer Note 2 below) | 4440.00                  |
| Deferred Tax Impact on account of Business Combination    | 2980.65                  |
| <b>Total liabilities</b>                                  | <b>45,184.89</b>         |
| <b>Net assets</b>   | <b>1,00,817.30</b>       |

**Note-1** : Trade Receivables with a fair value of ₹ 7,785.21 Lakhs had gross contractual amounts of ₹ 7,785.21 Lakhs. The best estimates of acquisition date of the contractual cash flows not expected to be collected is ₹ Nil

**Note-2** : The Contingent Liability amount has been considered by the Independent valuers based on the management estimates considering the Legal advice obtained for the various disputed amounts.

### iii Calculation of Goodwill

| Particulars                             | Amount<br>₹ in Lakhs |
|---|----------------------|
| Total Consideration paid                | 91,159.94            |
| Add: NCI based on Net Asset Value       | 28,028.65            |
| Less: Net assets acquired (as above)    | (1,00,817.30)        |
| <b>Good Will arising on acquisition</b> | <b>18,371.29</b>     |

The Goodwill is attributable to the workforce and profitability of the acquired business. It will not be deductible for tax purposes.

### b Accounting policy choice of non controlling interest

The group recognises non controlling interest in an acquired entity at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

### c Revenue and profit contribution

Revenue from operations of ₹ 51,013.41 Lakhs and Profit after tax of ₹ 12,989.67 Lakhs has been included in the Current Year's Consolidated Statement of Profit & Loss.

### d Purchase Consideration - Cash Outflow

| Particulars  | Amount<br>₹ in Lakhs |
|--|----------------------|
| <b>Outflow of cash to acquire subsidiaries, net of cash acquired</b> |                      |
| Cash Consideration   | 91,159.94            |
| Less : Balance Acquired  |                      |
| Cash   | 2,303.35             |
| <b>Net Outflow of Cash - Investing Activities</b>                    | <b>88,856.59</b>     |

### e Acquisition related costs

Acquisition related costs of ₹ 542.51 lakhs are included in Other Expenses in the Statement of Profit & Loss.



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

## Note 58 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Categories of Financial Instruments

#### Financial Assets

| Sl. No.  | Particulars   | Note | As at          |             |                |             |
|----------|---|------|----------------|-------------|----------------|-------------|
|          |   |      | March 31, 2020 |             | March 31, 2019 |             |
|          |   |      | Carrying Value | Fair Value* | Carrying Value | Fair Value* |
| <b>1</b> | <b>Financial Assets Designated at Fair Value through Profit and Loss</b>            |      |                |             |                |             |
| i)       | Derivatives - not designated as hedging instruments                                 |      | -              | -           | -              | -           |
| ii)      | Investment in Equity Shares   | 5    | 15.62          | 15.62       | 39.22          | 39.22       |
| iii)     | Investment in Mutual Funds  | 5    | 2,664.62       | 2,664.62    | 22,189.09      | 22,189.09   |
| <b>2</b> | <b>Financial Assets designated at Fair Value through Other Comprehensive Income</b> |      |                |             |                |             |
| i)       | Investment in Equity Shares   | 5    | 1759.00        | 1759.00     | -              | -           |
| <b>3</b> | <b>Financial Assets designated at Amortised Cost</b>                                |      |                |             |                |             |
| i)       | Investment in Equity Shares   | 5    | 35.28          | 35.28       | 35.28          | 35.28       |
| ii)      | Others  | 5    | 0.10           | 0.10        | 0.10           | 0.10        |
| iii)     | Trade receivables   | 12   | 14,200.99      | 14,200.99   | 16,327.43      | 16,327.43   |
| iv)      | Cash and Cash Equivalents   | 13   | 1,576.12       | 1,576.12    | 691.72         | 691.72      |
| v)       | Other Bank Balances   | 14   | 15,928.30      | 15,928.30   | 324.11         | 324.11      |
| vi)      | Other receivables   | 15   | 3,644.96       | 3,644.96    | 118.68         | 118.68      |
| <b>4</b> | <b>Investment in Step down subsidiary company (Ref Note 55)</b>                     | 5    | 5.00           | 5.00        | -              | -           |

\* There are no Financial Assets or Liabilities which fall under level 2 & 3.

#### Financial Liabilities

|          |   |          |           |           |           |           |
|----------|---|----------|-----------|-----------|-----------|-----------|
| <b>1</b> | <b>Financial Liability Designated at Fair Value through Profit and Loss</b> |          |           |           |           |           |
| i)       | Derivatives - not designated as hedging instruments                         |          | -         | -         | -         | -         |
| <b>2</b> | <b>Financial Liability designated at Amortised Cost</b>                     |          |           |           |           |           |
| i)       | Borrowings  | 19,20,24 | 75,270.94 | 75,270.94 | 36,123.50 | 36,123.50 |
| ii)      | Trade payables  | 25       | 20,805.76 | 20,805.76 | 17,938.68 | 17,938.68 |
| iii)     | Other financial liability   | 20       | 14,417.31 | 14,417.31 | 11,121.02 | 11,121.02 |
| iv)      | Lease Liability   | 20       | 483.36    | 483.36    | -         | -         |

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



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

## Note 59 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES

### 1 Financial Risk

The company's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

#### i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

#### a Foreign currency risk and sensitivity

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

| Particulars                              | USD / Euro outstanding in terms of ₹ Lakhs |                  |
|--|--|------------------|
|  | March 31, 2020                             | March 31, 2019   |
| <b>Financial Assets</b>                  |  |                  |
| Cash and cash equivalents                | 488.66                                     | -                |
| Trade receivables                        | 803.25                                     | 140.20           |
| Other financial assets (including loans) | -  | -                |
| <b>Financial Liabilities</b>             |  |                  |
| Trade payables                           | 375.58                                     | 9,006.97         |
| Borrowings                               | 20,339.51                                  | 10,100.56        |
| Interest Accrued but not due             | 109.50                                     | 74.73            |
| <b>Net Assets / Liabilities</b>          | <b>22,116.50</b>                           | <b>19,322.46</b> |

The following significant exchange rates have been applied: (Currency in ₹)

| Particulars | As at          |                |
|-------------|----------------|----------------|
|             | March 31, 2020 | March 31, 2019 |
| USD         | 75.63          | 69.16          |
| Euro        | 82.83          | 77.78          |

#### Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax

| Particulars     | 2019-20        |                | 2018-19        |                |
|-----------------|----------------|----------------|----------------|----------------|
|                 | 0.25% increase | 0.25% decrease | 0.25% increase | 0.25% decrease |
| USD Sensitivity | 55.29          | (55.29)        | 47.47          | (47.47)        |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

### Summary of Exchange difference accounted in Statement of Profit and Loss :

| Particulars   | Year ended      |                |
|---|-----------------|----------------|
|   | March 31, 2020  | March 31, 2019 |
| <b>Currency fluctuations</b>                                    |                 |                |
| Net foreign exchange (gain)/ losses shown as operating expenses | 28.76           | 515.13         |
| Net foreign exchange (gain)/ losses shown as Finance Cost       | 1,466.05        | 251.50         |
| Net foreign exchange (gain)/ losses shown as Other Income       | -               | -              |
| <b>Derivatives</b>  |                 |                |
| Currency forwards (gain) / losses shown as operating expenses   | -               | -              |
| Interest rate swaps (gain) / losses shown as finance cost       | -               | -              |
| Net foreign exchange (gain)/ losses shown as Other Income       | -               | -              |
| <b>Total</b>  | <b>1,494.81</b> | <b>766.63</b>  |

#### b. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

#### Interest rate risk exposure

| Particulars              | As at            |             |                  |             |
|--------------------------|------------------|-------------|------------------|-------------|
|                          | March 31, 2020   |             | March 31, 2019   |             |
| Fixed Rate borrowings    | -                | -           | -                | -           |
| Variable Rate borrowings | 20,339.51        | 100%        | 10,100.56        | 100%        |
| <b>Total</b>             | <b>20,339.51</b> | <b>100%</b> | <b>10,100.56</b> | <b>100%</b> |

#### Sensitivity on variable rate borrowings

| Particulars                     | Impact on               |                |                |                |
|---------------------------------|-------------------------|----------------|----------------|----------------|
|                                 | Profit and Loss Account |                | Equity         |                |
|                                 | March 31, 2020          | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Interest rate increase by 0.25% | 50.85                   | 25.25          | 50.85          | 25.25          |
| Interest rate decrease by 0.25% | (50.85)                 | (25.25)        | (50.85)        | (25.25)        |

#### ii Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 10,051.00 Lakhs and ₹ 12,640.45 Lakhs as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

| Particulars                     | Year ended     |                |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2020 | March 31, 2019 |
| Revenue from top customer       | 4.91%          | 5.48%          |
| Revenue from top five customers | 18.85%         | 24.12%         |

### a Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was ₹ 571.13 Lakhs.

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| Balance at the beginning  | 372.56         | 397.75         |
| Impairment loss reversed  | (15.91)        | (25.19)        |
| Additional provision created / (reversal) during the year (Net) | 214.48         | -              |
| <b>Balance at end</b>   | <b>571.13</b>  | <b>372.56</b>  |

### b Aging analysis of Trade Receivables

| Particulars | As at          |               |               |                 |                |               |               |                 |
|-------------|----------------|---------------|---------------|-----------------|----------------|---------------|---------------|-----------------|
|             | March 31, 2020 |               |               |                 | March 31, 2019 |               |               |                 |
|             | Not due        | Upto 6 months | 6 - 12 months | Above 12 months | Not due        | Upto 6 months | 6 - 12 months | Above 12 months |
| Unsecured   | 10,438.28      | 2,799.74      | 364.61        | 598.36          | 14,111.39      | 1,892.20      | 40.28         | 283.56          |

### iii Liquidity Risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2020

| Particulars                           | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total     |
|---------------------------------------|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current                  | 21,787.79       | 21,787.79        | -           | -                 | 21,787.79 |
| Borrowings - Non-current              | 53,483.15       | -                | 53,483.15   | -                 | 53,483.15 |
| Trade payables                        | 20,805.76       | 20,805.76        | -           | -                 | 20,805.76 |
| Other financial liabilities - Current | 10,434.33       | 10,434.33        | -           | -                 | 10,434.33 |
| Trade deposits                        | 3,998.42        | -                | 3,998.42    | -                 | 3,998.42  |
| Interest accrued but not due on loans | 563.30          | 563.30           | -           | -                 | 563.30    |
| Lease Liability - Current             | 483.36          | 430.29           | 3.49        | 49.58             | 483.36    |



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2019

| Particulars                           | Carrying amount | Less than 1 Year | 1 - 5 Years | More than 5 Years | Total     |
|---------------------------------------|-----------------|------------------|-------------|-------------------|-----------|
| Borrowings - Current                  | 20,693.28       | 20,693.28        | -           | -                 | 20,693.28 |
| Borrowings - Non-current              | 15,430.23       | -                | 11,852.12   | 3,465.61          | 15,317.73 |
| Trade payables                        | 17,938.68       | 17,938.68        | -           | -                 | 17,938.68 |
| Other financial liabilities - current | 7,684.20        | 7,684.20         | -           | -                 | 7,684.20  |
| Trade deposits                        | 3,982.88        | -                | 3,982.88    | -                 | 3,982.88  |
| Interest accrued but not due on loans | 75.00           | 75.00            | -           | -                 | 75.00     |
| Lease Liability - Current             | -               | -                | -           | -                 | -         |

### 2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### 3 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

| Particulars  | As at              |                    |
|--|--------------------|--------------------|
|  | March 31, 2020     | March 31, 2019     |
| Borrowings   | 75,270.94          | 36,123.50          |
| Less: Cash and Cash Equivalents including bank balance | 1,576.12           | 691.73             |
| Less: Current Investments                              | 2,664.62           | 22,189.09          |
| <b>Net Debt</b>  | <b>71,030.20</b>   | <b>13,242.68</b>   |
| Equity   | 1,70,420.55        | 1,10,339.51        |
| <b>Capital and Net Debt</b>                            | <b>2,41,450.75</b> | <b>1,23,582.19</b> |
| Gearing Ratio {Net debt / Capital and net debt}        | 29.42%             | 10.72%             |

### Note 60 DERIVATIVE FINANCIAL INSTRUMENTS

- a The company has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the company has entered into, fix pay and variable receipt, interest rate swaps, these swap contracts are in US Dollar. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

| Particulars | As at          |                 |                |                |
|-------------|----------------|-----------------|----------------|----------------|
|             | March 31, 2020 |                 | March 31, 2019 |                |
|             | FC in Mn       | MTM in ₹ Lakhs  | FC in Mn       | MTM in ₹ Lakhs |
| US Dollar   | 0.375          | (120.59)        | 0.375          | (82.62)        |
|             | <b>0.375</b>   | <b>(120.59)</b> | <b>0.375</b>   | <b>(82.62)</b> |



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**b Foreign currency exposure not hedged as at the Balance Sheet date**

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

| Particulars | As at          |                  |                |                  |
|-------------|----------------|------------------|----------------|------------------|
|             | March 31, 2020 |                  | March 31, 2019 |                  |
|             | FC in Mn       | MTM in ₹ Lakhs   | FC in Mn       | MTM in ₹ Lakhs   |
| US Dollar*  | 10.75          | 8,082.54         | 24.01          | 16,911.29        |
| Euro        | 16.55          | 13,710.54        | 0.27           | 211.25           |
| JPY         | 27.08          | 188.53           | -              | -                |
| SEK         | 0.00           | -                | 5.82           | 450.84           |
| CHF         | 0.00           | -                | 0.54           | 375.23           |
|             | <b>54.38</b>   | <b>21,981.61</b> | <b>30.64</b>   | <b>17,948.61</b> |

\* Net of receivables - US Dollar 0.016 Million - ₹ 12.14 Lakhs (Previous Year US Dollar 0.17 Mn - ₹ 1118.96 Lakhs)

**Note 61 CHANGE IN ACCOUNTING POLICY ON LEASES**

WCPM has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 using the modified Prospective approach, under which Right-of-use assets as at April 01, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). The Company has discounted lease payments using the incremental borrowing rate as at April 01, 2019 viz 9.20% for measuring the lease liability. The Company has applied the below practical expedients:

- The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
- The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to ₹ 218.95 Lakhs (including leases previously classified as finance Lease).

| Particulars  | As at<br>March 31, 2020 |
|--|-------------------------|
| Impact of Ind AS 116 on the statement of profit and loss       |                         |
| Interest on lease liabilities                                  | 5.33                    |
| Depreciation on right of use assets                            | 2.09                    |
| Less: Lease rental paid  | 5.81                    |
| Less : Amortisation of prepayment of leasehold land            | -                       |
| <b>Impact on the statement of profit and loss for the year</b> | <b>1.61</b>             |

The APL has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 using the modified Retrospective approach, under which Right-of-use assets as at April 01, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). The Company has discounted lease payments using the incremental borrowing rate as at April 01, 2019 viz 8.00% for measuring the lease liability. The Company has applied the below practical expedients:

- The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
- The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to ₹ 1,837.09 Lakhs (including leases previously classified as finance Lease).



## Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars  | Year ended<br>March 31, 2020 |
|--|------------------------------|
| Impact of Ind AS 116 on the statement of profit and loss       |                              |
| Interest on lease liabilities                                  | 71.00                        |
| Depreciation on right of use assets                            | 223.27                       |
| Less: Lease rental paid  | 227.71                       |
| Less : Amortisation of prepayment of leasehold land            | 11.24                        |
| <b>Impact on the statement of profit and loss for the year</b> | <b>55.32</b>                 |

**Note 62** In case of APL, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paisa per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 3,143.24 lakhs towards the potential liability in the event of an unfavourable verdict in this matter. Additionally, an amount of ₹ 785.81 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

**Note 63** The Company carries a general provision for contingencies towards various disputed matters / claims made against the Company based on the Management's assessment. The movement of this provision account is as under:

| Particulars  | As at<br>March 31, 2020 |
|--|-------------------------|
| Opening Balance                                      | 1,090.66                |
| Provision made during the year due to Fair Valuation | 4,440.00                |
| Amounts utilized / reversed during the year          | -                       |
| <b>Closing Balance</b>                               | <b>5,530.66</b>         |

**Note 64** For the purpose of giving effect to the Business Combination as per Ind AS 103 w.r.t. the acquisition of Andhra Paper Ltd (APL), Fair Valuation of the Assets and Liabilities of APL was done by Independent Valuers. The Useful life of Property, Plant & Equipments was technically determined by them. For the purpose of Consolidation, Depreciation has been computed based on the useful life so determined.



# Notes to Consolidated Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(₹ in Lakhs)

**Note 65** Additional Information pursuant to Para 2 to General Information for the Preparation of Consolidated Financial Statements

| Sl. no | Name of Entity             | Relationship      | Net Assets [ Total Assets minus Total Liability] |                    | Share in Profit / (Loss) for the year |                  | share in other comprehensive income / (loss) for the year |                 | share in Total Comprehensive Income / (Loss) for the year |                  |
|--------|----------------------------|-------------------|--|--------------------|---------------------------------------|------------------|---|-----------------|---|------------------|
|        |                            |                   | % of Consolidated net assets                     | Amount             | % of Consolidated Profit              | Amount           | % of Consolidated other comprehensive income              | Amount          | % of Consolidated total comprehensive income              | Amount           |
| 1      | West Coast Paper Mills Ltd | Parent Company    | 81.45%   | 1,38,809.49        | 68.23%                                | 27,734.22        | 74.81%  | (470.81)        | 68.12%  | 27,263.41        |
| 2      | Andhra Paper Ltd.          | Subsidiary Indian | 18.54%   | 31,595.52          | 31.96%                                | 12,989.65        | 25.31%  | (159.28)        | 32.06%  | 12,830.37        |
| 3      | West Coast Opticable Ltd.  | Subsidiary Indian | 0.01%  | 15.49              | -0.18%                                | (74.45)          | -0.12%  | 0.76            | -0.18%  | (73.69)          |
|        | <b>Grand Total</b>         |                   | <b>100.00%</b>                                   | <b>1,70,420.50</b> | <b>100.00%</b>                        | <b>40,649.42</b> | <b>100.00%</b>  | <b>(629.33)</b> | <b>100.00%</b>  | <b>40,020.09</b> |

**Note 66** COVID-19 (GLOBAL PANDEMIC)

In view of nationwide lock down due to COVID-19, operations of the Company at its manufacturing locations and marketing offices were temporarily suspended in compliance of Government Orders w.e.f. March 26, 2020. Based on approval received on continuous process plant, manufacturing operations at Dandeli restarted w.e.f. April 04, 2020. The operations of the Company's subsidiary, APL, were hit substantially from March 23, 2020 till the 1st week of May 2020, when lockdown was gradually lifted due to this disruption, during the quarter the Group's production as well as sales were impacted. Due to COVID 19, the demand for Paper has got impacted in short term and is expected to improve in Q2 FY 21.

The Group has made an assessment of possible impacts that may result from the COVID-19 pandemic on the carrying value of Property Plant & Equipments, MAT credit entitlements and other current and non-current assets, considering the internal and external information available and has concluded that no material adjustments are required at this stage in the Consolidated financial statements. However, due to uncertainties around COVID 19, the eventual impact of COVID-19 may differ from that estimated as at the date of approval of these Consolidated financial statements, and the Group will continue to closely monitor any material changes to future economic conditions.

**Note 67** ISSUE OF SECURED AND NON-CONVERTIBLE DEBENTURES

On October 18, 2019, the Company has issued and allotted 1980 numbers 10.30%, rated, secured and non-convertible debentures having face value of ₹ 10,00,000 each aggregating to ₹19,800 lakhs for five years to Standard Chartered Bank (Mauritius) and Aditya Birla Finances Limited through Private Placement and are listed at BSE Limited w.e.f. November 2019.

**Note 68** Previous year's figures have been regrouped and reclassified wherever necessary

The accompanying notes are an integral part of the Consolidated financial statements

As per our Report of even date

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. 302049E

**Sudesh Choraria**  
Partner  
Membership No. 204936

Place: Dandeli  
Date: June 26, 2020

**For and on behalf of the Board**

**S. K. Bangur** Chairman & Managing Director  
**Saurabh Bangur** Vice Chairman  
**Rajendra Jain** Executive Director & CFO  
**Brajmohan Prasad** Company Secretary

**Shashi Bangur**  
**Virendraa Bangur**  
**P. N. Kapadia**  
**M. P. Talaria**  
**Lt. Gen. (Retd.) Utpal Bhattacharyya**  
**Krishna Kumar Karwa**  
**Amitav Kothari**  
**Sudarshan Somani** Directors



**WESCO**  
Prime *Super* GREEN

&

**WESCO**  
Prime *Super* Organic

**PLASTIC  
FREE**

**BARRIER COATED  
PRODUCTS**

*Reimagining the future*



The company fully endorses the policy of Government of India/State Governments regarding ban on Single use Plastic in phased manner to save planet earth.

In this direction West Coast has developed **PLASTIC-FREE COATED PAPER** for manufacturing Paper namely - **WESCO PRIME SUPER GREEN & WESCO PRIME SUPER ORGANIC** to replace single use Plastic paper cups

Wesco Prime Super Green and Wesco Prime Super Organic have already been tested, confirmed and approved by CIPET Bhubneshwar, Orissa as Plastic Free Paper Board

### **FEATURES OF WESCO PRIME SUPER GREEN & WESCO PRIME SUPER ORGANIC CUP STOCK PAPER**

**100% Plastic Free Coated paper**

**Food Grade Paper**

**Good Heat Sealable**

**Odour Less and fully Repulpable**

**Scrap Generated attracts Good Price**

**Less Power consumption as it seals at lower temperature than Poly during Cup Making**

**Less Coating Percentage than alternate products**

# WESCO

## PREMIUM PRINTING PRODUCTS



WESCO Classic (57-140 GSM)

WESCO Ultrashine (58-140 GSM)

WESCO Supershine (57-140 GSM)

WESCO Marvel (57-140 GSM)

WESCO Indigo Classic (54-90 GSM)

WESCO Vibrant (54-90 GSM)

WESCO Natural SS (54-80 GSM)

WESCO Impression (54-90 GSM)

# WESCO

## MG PRODUCTS



# WESCO

## RANGE OF CUP STOCK

140 - 250 GSM

For Hot & Cold Fluids

Eco - Friendly

Recyclable



PRIME | BASE | LINER | ECO LINER  
FIRMA | WALLKUP | AQUA BASE

# WESCO

## STRAW PRODUCTS



## WESCO STRAW BASE

## WESCO STRAW FOLD

[www.westcoastpaper.com](http://www.westcoastpaper.com)





**WEST COAST PAPER MILLS LIMITED**  
[www.westcoastpaper.com](http://www.westcoastpaper.com)