



MALU PAPER

MILLS LTD.

**ANNUAL REPORT
FOR THE FINANCIAL YEAR
2018-19**

**Heera Plaza, 4th Floor,
Near Telephone Exchange,
Central Avenue,
Nagpur – 440 008
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Email : info@malupaper.com ;
contacts@malupaper.com**

MALU PAPER MILLS LIMITED

Founder

Late Shri Bhanwarlal Malu
(1924 - 2007)

Non Executive Chairman

Shri Damodarlal Malu

Managing Director

Shri Punamchand Malu

Joint Managing Director

Shri Banwarilal Malu

Non Executive Directors

Shri Vasudeo Malu

Independent Directors

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

Plants

Kraft Division

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

Bankers

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

Statutory Auditors

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

Internal Auditors

M/s. Samria & Co.

CFO

Shri Girish Malpani

Company Secretary & Compliance Officer

Ms. Mayuri Asawa

Registered and Corporate Office

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

Newsprint & Writing Printing Division

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

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MALU PAPER MILLS LIMITED
Regd. Office: Heera Plaza,4th floor, Near Telephone Exchange,
Central Avenue,
Nagpur –400008
CIN:L15142MH1994PLC076009

NOTICE

Notice is hereby given to the members of Malu Paper Mills Limited that the 26th Annual General Meeting of the members will be held on Friday, the 27th day of September, 2019 at the registered office of the Company at 'Heera Plaza, 4th Floor, Near Telephone Exchange Square, Central Avenue, Nagpur at 3.00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Results for the year ended on 31st March 2019 along with the reports of Director and Auditors thereon.
2. To appoint a Director in place of Shri. Vasudeo Bhawarlal Malu (DIN: 00301313), who retire by rotation and being eligible, offer himself for re-appointment in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT Shri. Vasudeo Bhawarlal Malu, who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation”.

3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 27th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS

4. Re-appointment of Shri Satyanarayan Rathi (DIN 01797378) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Satyanarayan Rathi(DIN 01797378), who was appointed as an Independent Director by the members at the 21st Annual General Meeting of the Company for a term of five years up to September 25, 2019, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 26, 2019 up to September 25, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

5. Re-appointment of Shri. Shyamsunder Sarma (DIN 02399265) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri. Shyamsunder Sarma (DIN 02399265), who was appointed as an Independent Director by the members at the 21st Annual General Meeting of the Company for a term of five years up to September 25, 2019, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 26, 2019 up to September 25, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

6. Re-appointment of FCA. Shrutika Inani (DIN 06937649) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, FCA. Shrutika Inani (DIN 06937649), who was appointed as an Independent Director by the members at the 21st Annual General Meeting of the Company for a term of five years up to September 25, 2019, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 26, 2019 up to September 25, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

7. Approval for continuance of Directorship of Shri Chandrakant Thakar (DIN 00784189), as a Non- Executive Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, consent of the Members be and is hereby accorded for continuance of the Directorship of Shri Chandrakant Thakar (DIN 00784189), aged about 83 years, as a Non-Executive Independent Director of the Company as long as he continues in the office of Director of the Company on the existing terms and conditions; subject to the provisions, rules and regulations of Companies Act 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or of any other appropriate authorities, as may be applicable, and as amended from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

8. Re-appointment of Shri Chandrakant Thakar (DIN 00784189) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Chandrakant Thakar (DIN 00784189), who was appointed as an Independent Director by the members at the 21st Annual General Meeting of the Company for a term of five years up to September 25, 2019, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from September 26, 2019 up to September 25, 2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

9. RATIFICATION OF REMUNERATION OF COST AUDITOR:

To ratify remuneration of cost auditor and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of 45000/- to M/s Khanuja Patra & Associates, Cost Accountants (Firm Registration No.00214) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2020, be and is hereby approved.

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

Registered Office:

Heera Plaza, 4th floor,
Central Avenue
Nagpur- 440008
Date:12th August, 2019

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

Mayuri Asawa
Company Secretary & Compliance Officer

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON, WHO SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the business set out under the notice is annexed hereto.
3. The Register of Members and share transfer books of the Company will remain closed from 20th September 2019 to 27th September 2019 both days inclusive.
4. Documents referred to the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
5. Members/Proxies should bring attendance slips duly signed for attending the meeting.
6. Members holding shares in dematerialised form are requested to notify all the changes with respect of their address, e-mail id, ECS mandate and bank details to their depository participant.

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

- a. Particulars of their bank account and e-mail id, in case the same have not been sent earlier;
- b. Any changes in their address/e-mail id/ECS mandate/ bank details;
- c. Share certificate(s) held in multiple accounts in identical name or joint names in the same order of names, for consolidation of such shareholding in one account.

7. For the convenience of the members, an attendance slip is annexed with the proxy form. Photocopies of the slip will not be entertained for issuing gate pass for attending annual general meeting. However, in case of non- receipt of notice of annual general meeting, members are requested to write to the company at its head office for issuing duplicate of the same. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the meeting.
8. Members/Proxy holders are requested to bring their copies of the annual report with them to the annual general meeting, as extra copies will not be provided.
9. Any member desirous of getting any information on accounts or operations of the company is required to forward his/her queries to the company at least ten days prior to the meeting so that the required information can be made available at the meeting.
10. The copy of notice shall also be made available at our official website www.malupaper.com. In case any shareholder could not receive the same, he can download it or go through our website.
11. For any communication, the shareholders may also send requests to the Company's investor email id contacts@malupaper.com
12. Pursuant to the provision of section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
13. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
14. The instructions for shareholders voting electronically are as under:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 24th September, 2019 (9:00 am) and ends on 26th September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

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

Step 1 : Log-in to NSDL e-Voting system at www.evoting.nsdl.com

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

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

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

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@malupaper.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Ms. Yuga Kothalkar Company Secretary (Membership No. 028673) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three /days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.malupaper.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to Resolution Nos. 4, 5, 6,7 & 8.

Item No. 4

Shri Satyanarayan Rathi (DIN 01797378) was appointed as a Director on the Board of the Company on November 11, 2005. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 21st Annual General Meeting held on September 25, 2014 approved the appointment of Shri Satyanarayan Rathi as an Independent Director of the Company for a period of 5 years up to September 25, 2019. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Shri Satyanarayan Rathi that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director. The resolution seeks the approval of members for the re-appointment of Shri Satyanarayan Rathi as an Independent Director of the Company commencing from September 26, 2019 up to September 25, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to

retire by rotation. In the opinion of the Board Shri Satyanarayan Rathi fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Shri Satyanarayan Rathi, the Board of Directors at its meeting held on August 12, 2019 approved the continuance of office of Shri Satyanarayan Rathi(aged 67 years) as mentioned in the resolution.

The Nomination & Remuneration Committee and the Board evaluated the performance of Shri Satyanarayan Rathi, rated him satisfactory on all parameters and recommended his re-appointment.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Shri Satyanarayan Rathi, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 5

Shri Shyamsunder Sarda (DIN 02399265) was appointed as a Director on the Board of the Company on September 29, 2011. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 21st Annual General Meeting held on September 25, 2014 approved the appointment of Shri Shyamsunder Sarda as an Independent Director of the Company for a period of 5 years up to September 25, 2019. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Shri Shyamsunder Sarda that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director. The resolution seeks the approval of members for the re-appointment of Shri Shyamsunder Sarda as an Independent Director of the Company commencing from September 26, 2019 up to September 25, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation. In the opinion of the Board Shri Shyamsunder Sarda fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Shri Shyamsunder Sarda, the Board of Directors at its meeting held on August 12, 2019 approved the continuance of office of Shri Shyamsunder Sarda (aged 61 years) as mentioned in the resolution.

The Nomination & Remuneration Committee and the Board evaluated the performance of Shri Shyamsunder Sarda, rated him satisfactory on all parameters and recommended his re-appointment.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Shri Shyamsunder Sarda, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

FCA. Shrutika Inani (DIN 06937649) was appointed as a Director on the Board of the Company on September 25, 2014. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 21st Annual General Meeting held on September 22, 2014 approved the appointment of FCA. Shrutika Inani as an Independent Director of the Company for a period of 5 years up to September 25, 2019. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from FCA. Shrutika Inani that, she is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that she meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and her consent to continue as an Independent Director. The resolution seeks the approval of members for the re-appointment of FCA. Shrutika Inani as an Independent Director of the Company commencing from September 26, 2019 up to September 25, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. She is not liable to retire by rotation. In the opinion of the Board FCA. Shrutika Inani fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of FCA. Shrutika Inani, the Board of Directors at its meeting held on August 12, 2019 approved the continuance of office of FCA. Shrutika Inani (aged 37 years) as mentioned in the resolution.

The Nomination & Remuneration Committee and the Board evaluated the performance of FCA. Shrutika Inani, rated her satisfactory on all parameters and recommended her re-appointment.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except FCA. Shrutika Inani, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item Nos. 7 & 8

Shri Chandrakant Thakar (DIN 00784189) was appointed as an Additional Director on the Board of the Company on November 11, 2005. Members of the Company at the 21st Annual General Meeting held on September 25, 2014 approved the appointment of Shri Chandrakant Thakar as an Independent Director for a period of 5 years up to September 25, 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 1, 2019, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed company until and unless approval of Members has been obtained for the same by way of special resolution. Since Shri Chandrakant Thakar, Non-Executive Director of the Company is covered

under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company, post April 1, 2019. The Company has received intimation in Form DIR-8 from Shri Chandrakant Thakar that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director. The resolutions set-forth in Item Nos. 4 & 5 seek the approval of members for continuance of Directorship of Shri Chandrakant Thakar, aged about 83 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from September 26, 2019 up to September 25, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation. In the opinion of the Board, Shri Chandrakant Thakar fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Shri Chandrakant Thakar, the Board of Directors at its meeting held on August 12, 2019 approved the continuance of office of Shri Chandrakant Thakar as mentioned in the resolutions. ***Shri Chandrakant Thakar (aged 83 years) is a qualified advocate and a retired high court, supreme court and Income tax tribunal practitioner. He is known for his specialization in Income tax, he represented numerous important tax cases reported in various tax journals. He was the past president of Incometax Appellate Tribunal Bar- Association Nagpur for 7 years. He is honoured by High Court Bar association for his high court practice of more than 50 years. He is also connected with many social as well as Educational institutions.***

Shri Chandrakant Thakar helps in bringing independent judgment during Board deliberations on accounting and financial controls, taxation aspects, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience in both the private and public sector has been and would be very helpful to the Company from time to time. Shri Chandrakant Thakar does not hold any shares of Malu Paper Mills Limited. He is not related to any other Directors/KMPs of the Company. He is the Chairman of Nomination & Remuneration Committee and member of Audit Committee and Stakeholders Relationship Committee of the Company. The Nomination & Remuneration Committee and the Board evaluated the performance of Shri Chandrakant Thakar, rated him satisfactory on all parameters and recommended his re-appointment. Copy of the draft letter for re-appointment of Shri Chandrakant Thakar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Shri Chandrakant Thakar, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Registered Office:
Heera Plaza, 4th floor,
Central Avenue
Nagpur- 440008
Date : 12th August, 2019

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

Mayuri Asawa
Company Secretary & Compliance Officer

MALU PAPER MILLS LIMITED

REPORT OF BOARD OF DIRECTORS.

The Directors have pleasure in presenting the 26th Annual Report for the year ended 31st March 2019 along with the Audited Statement of Accounts with the Report of the Auditors thereon:

FINANCIAL RESULTS

(Rs. In Lakhs)

	FY 2018-2019	FY 2017-2018
Sales & Other Incomes	27553.63	28322.31
Profit Before Interest & Depreciation	2457.00	1896.64
Less: Financial Charges	971.33	1200.50
Profit Before Depreciation	1485.67	696.14
Less: Depreciation	477.78	480.35
Less: Provision For Tax	265.82	69.82
Profit/(Loss) After Tax	742.44	145.97

REVIEW OF OPERATIONS

Your company has posted another year of profitable results considering the challenges faced by it in the last financial year. For the year under review the Company recorded total income of Rs.27553.63 Lakhs and booked profit before tax of Rs. 1007.89 Lakhs.

STATE OF AFFAIRS

The company is in the business of Manufacturing Newsprint, Writing & Printing paper and Kraft Paper. The current year witnessed lots of change in the international paper market and these changes impacted the operations of the Indian paper industry. In the FY 2018-19 the company produced 85,015 Mt of paper as against 91,766 Mt produced in FY 2017-18. In FY 2017-18 the company produced 51,474 Mt (56%) of Kraft paper and 40,292 Mt (44%) of Newsprint paper. In FY 2018-19, the company produced 39,171 Mt (46%) of Kraft paper and 45,844 Mt (54%) of Newsprint & Writing printing paper. There was a change in the product mix in FY 2018-19 to take advantage of the market scenario. The company produced higher quantity of low grammage (GSM), but higher value Newsprint & Writing Printing paper. The turnover was Rs.27553.63 Lakhs in FY 2018-19 in comparison to turnover of Rs. 28322.31 Lakhs. However, the Profit after Tax (PAT) of the current FY was Rs. 742.07 Lakhs in comparison to the Rs. 145.97 lakhs in FY 2017-18. The PAT was higher by 508%.

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

Industrial policy of the government has resulted in favourable changes, which will continue to impact the prospects of the company in years to follow.

There has been no major change in the business of the company during the financial year ended 31st March, 2019.

NUMBER OF BOARD MEETINGS HELD

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

AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

DETAILS OF FRAUD REPORT BY AUDITOR:

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

AUDITORS

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

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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year ended 31st March, 2019 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

However, the disclosure of transactions with related party for the year, as per Accounting Standard-18 Related Party Disclosures is given in Note no 28 to the Balance Sheet as on 31st March, 2019.

TRANSFER TO RESERVES

The Company transferred a sum of Rs 74,243,520/- to Retained Earning Reserve during the financial year ended 31st March, 2019.

DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

CORPORATE SOCIAL RESPONSIBILITY

During the year the Company was not required to constitute CSR Committee as per the provisions of Section 135 (1) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Whereas from FY 2019-20 company is required to constitute CSR committee and your board in the upcoming board meeting will initiate action to constitute the same. Moreover company has always discharged its social responsibility as a part of its corporate governance philosophy. The company has lent helping hand by taking up health check up camps, drinking water supply, tree plantations in the plant premises and in the vicinity of its plant.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

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

Shri. Punamchand Malu and Shri. Banwarilal Malu who were reappointed as Managing Director and Jt. Managing Director respectively in the 22nd Annual General Meeting held on September 22, 2015 for the period of 5 years w-e-f 01/04/2015, continued to remain on the Board.

Shri Damodarlal Malu (DIN 00301120), the Non Executive Director continues to remain on the Board of the Company and Shri Vasudeo Malu (DIN 00301313), the Non Executive Director who is liable to retire by rotation retires at the ensuing annual general meeting and being eligible offers himself for re-appointment.

Shri. Chandrakant Thakar, Shri. Shyamsunder Sarda, Shri. Satyanarayan Rathi and FCA. Shrutika Inani were appointed as an independent directors director at the Twenty first Annual General Meeting (AGM) held on September 25, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of five years is

proposed at the ensuing AGM for the approval of the Members by way of special resolution.

A resolution seeking shareholders' approval for their re-appointment forms a part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Shri. Punamchand Malu - Managing Director, Shri. Banwarilal Malu - Jt. Managing Director, Girish Malpani - Chief Financial Officer and Mayuri Asawa - Company Secretary.

PUBLIC DEPOSITS

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

INTERNAL FINANCIAL CONTROL

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

COST RECORD

The provision of Cost audit as per section 148 applicable on the Company and company has maintained proper records and account of the same as required under the act.

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors had appointed M/s. Khanuja Patra & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of Cost records for the financial year ended on 31st March 2019. The audit is in process and report will be filed within prescribed period.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

CONSTITUTION OF COMMITTEE - SEXUAL HARASSMENT AT WORKPLACE

The Company has constituted committee under the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 and company has complied with the provisions of the same.

During the year, no complaint of sexual harassment were received to the company.

CONSOLIDATED FINANCIAL STATEMENTS

Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2018-19.

COMPLIANCE WITH SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively

BOARD EVALUATION

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

DECLARATION BY DIRECTORS

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

DIRECTORS RESPONSIBILITY STATEMENT FORMING PART OF DIRECTORS REPORT

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

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2 The Directors had selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of Company as on 31st March 2019 and of the profit of the company for that period.
- 3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4 The annual accounts have been prepared on a going concern basis.
- 5 The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating effectively.

LISTING OF SHARES

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

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and detailed policy is available on <https://www.malupaper.com> .

RISK MANAGEMENT

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

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Companies Act 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The practice of the Whistleblower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The same has been uploaded on company's website at www.malupaper.com

SECRETARIAL AUDIT

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

ABSTRACT OF THE ANNUAL RETURN

The Abstract of the Annual Return for the year 31st March 2019 being attached with the Directors Report as Annexure B. The same is available on our website <http://malupaper.com/download/mpml19.pdf>

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

- (a) The outstanding shares in the suspense account held with Sharekhan Limited lying at the beginning of the year is 3,019 shares;
- (b) none of shareholders approached listed entity for transfer of shares from suspense account during the year;
- (c) no shares were transferred from suspense account during the year;
- (d) the outstanding shares in the suspense account held with Sharekhan Limited lying at the end of the year is 3,019 shares;
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

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

The Company imports some portion of its raw material requirement. The foreign exchange earnings and outgo are as mentioned in the reports of the auditor of the Company. Details are attached herewith as per 'Annexure C'.

PARTICULARS OF EMPLOYEES

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

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules

The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director and Chief Financial Officer in the financial year -

S.No	Name of the Director	Remuneration	Median Remuneration	Ratio (Remuneration of Director to Median Remuneration) times
		Per Annum	Per Annum	
		(INR)	(INR)	
Executive Directors				
1	Shri. Punamchand Malu	20,00,000	2,50,113	8
2	Shri. Banwarilal Malu	20,00,000	2,50,113	8
Non Executive Directors/Independent Directors				
3	Shri. Damodar Lal Malu	NIL	-	-
4	Shri. Vasudeo Malu	NIL	-	-
5	Shri. Chandrakant Thakar	NIL	-	-
6	FCA. Shrutika Inani	NIL	-	-
7	Shri. Satyanarayan Rathi	NIL	-	-
8	Shri. Shyamsunder Sarda	NIL	-	-
Chief Financial Officer				
9	Mr. Girish Malpani	36,56,330	2,50,113	14.62

- a) The percentage increase in the median remuneration of employees in the financial year: 8.82%
- b) The number of permanent employees on the rolls of Company: 219
- c) Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms that the remuneration is as per the remuneration policy of the Company.

ACKNOWLEDGEMENTS

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

Date : 12/08/2019
Place : Nagpur

By Order of Board of Directors

Punamchand Malu
Managing Director
(DIN:00301030)

Banwarilal Malu
Jt. Managing Director
(DIN:00301297)

MANAGEMENT REVIEW : 2018-19

GLOBAL PAPER INDUSTRY SCENARIO

In the global paper & paperboard market, growing consumer awareness for sustainable packaging, rising demand from various end users and increasing environmental concerns are some of the factors favouring the market growth. The growing disposable incomes of people especially in the developing countries is one of the major opportunities. Globally over 400 million tonnes of paper and paper products are consumed. In the global paper industry China has become the largest producer of paper followed by USA and Japan, these big three produce 50% of worlds paper production. India's share in world production of paper is about 3.7%, with estimated production of over 17 million TPA. The global recycled paper market has seen consolidation in holdings also in recent years. In USA the top 4 paper manufacturing companies control 75% capacity, in Indonesia top 2 control 60% capacity and in China top 3 control 21% capacity.

The global paper and pulp industry has contracted slightly over the past few years, this was due to the shift to digital media and paperless communication across most developed economies. But the demand in emerging markets has partially offset the decline in developed markets due to increased demand for paper used in packaging materials. Developing economies like India and China will drive the market for the paper packaging segment, with applications across industries like healthcare, personal care, homecare, retail and others. The focus has now shifted towards eco-friendly and sustainability, paper packaging is expected to gain traction with many countries pushing for paper packaging products over plastic packaging, which poses a significant threat to the environment.

In the past year the Chinese paper industry has been impacted by the environmental issues, as the Chinese government banned import of several varieties of waste paper, mostly unsorted grades. China has about 65 Million Tonnes of recycled paper capacity and imports around 26 million tonnes of waste paper. Due to implementation of strict parameters for import of waste paper about 20% capacity of Chinese producers was impacted. The stringent enforcement of environmental norms forced many paper mills to shut down, old mills are phased out and certain specific areas are proposed to be shut down by 2019 end. This has resulted in China becoming importer from a major exporter of paper, paper board and Newsprint. The recycled paper market has become precarious and uncertain. There has been steep decline in the share of imported waste paper in China from around 30% to 20% in last one year. As a result of this international waste paper prices especially for unsorted grades have seen steep fall. Due to shortage of waste paper there has been sharp increase in the China's import of recycled pulp leading to firming up prices of the pulp in international market.

INDIAN PAPER INDUSTRY

The total installed capacity in India is about 17million tonnes. The per capita consumption of paper is around 13 kg against the global average of 57 kg. Every 1 kg increase in per capita consumption results into increase in annual demand over 1 million tons. At present, the industry is largely fragmented with over 750 paper mills and there are only a few large paper mills having capacity above 50,000 TPA. In India the paper capacity remains fragmented, top 10 manufacturers account for about 30% capacity. There are only 2% paper mills which are large Integrated mills, whereas 11% mills are midsized and 87% mills are small having capacity of less than 50,000

TPA. The Indian paper industry is likely to grow at 6-6.5% v/s the global demand growth rate of 1%.

WRITING & PRINTING PAPER

The Printing and writing paper segment is having 30% market share in India, it is likely to grow at 5-6%. This growth is fuelled by growing literacy rates, increase in education expenditure. The demand is expected to grow on account of an anticipated pickup from the education sector with growing enrolment as well as increasing number of schools and colleges. The increased digitisation is also leading to higher consumption of copier paper.

NEWSPRINT PAPER

The Newsprint sector accounting for 15% share is likely to grow at 1%. India continues to defy the negative growth in newsprint worldwide due to its thriving democracy, its growing young population and increasing literacy levels. The Indian print media continues to command a major share of the advertisement revenues and still remains effective in delivering the content. However, more than 50% of the newsprint demand is met through import. The domestic prices of newsprint are largely determined by the landed cost of the imported newsprint. The central government has imposed @ 10 % import duty on newsprint to create level playing field for the domestic manufactures. This has provided much needed level playing field to the Indian newsprint manufacturers against imported ones. Improving literacy rates, rising circulation and an increasing number of newspapers and magazine is expected to support growth in newsprint demand, which is expected to reach 2.7 million tonnes in 2019. However, competition from growing imports from developed countries is a major challenge to the industry.

PACKAGING BOARD & KRAFT PAPER

The packaging Board/ Kraft paper having about 52% market share is the fastest growing segment and is likely to grow at 8-10%. The rise in the per capita income, urbanisation and transformation in lifestyle habits is leading to larger offtake of packaged products, growth in e-commerce, demand for ready to eat food and organised retail is leading the growth in this segment. For the Indian paper industry, strong domestic economic growth has been accompanied by equally robust demand for paper. There has been growing awareness about environmental hazards of single use plastics and its growing volumes. Many countries around the world have set the target for phasing out various single use plastics in respective countries, India has also agreed to phase out the single use plastics and many states have already imposed a ban on use of such material. This is going to be a major demand booster for the packaging industry in near future, however, the companies will have to develop the products of low grammage high strength paper for this segment.

TISSUE PAPER

The changing lifestyle of individuals in the urban as well as rural India are expected to provide exponential growth of hygiene paper products in India. The tissue paper segment is likely to grow at more than 15%.

FUTURE OUTLOOK

Over the next five years, the domestic industry is projected to grow at 6-7% CAGR to reach 20 million tonnes by 2022. Packaging paper & board segment demand is expected to grow at a faster pace as compared to Printing & Writing and the Newsprint segments.

The reasons for growth of paper industry in country are continuous demand for education and literacy, increasing organised retail, growth in e-commerce, FMCG, pharma/ healthcare sector, demand of quality packaging, ban on plastic (especially polythene bags) and incremental demand of eco-friendly paper bags, continuously increasing demand of ready-to-eat food and printed stationary.

The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country.

Higher recycling demand will further push the use of paper as a packaging material, with consumers and businesses looking for solutions that help in cost reduction as well as keeping the environment safe while keeping government regulations intact.

STRENGTH AND OPPORTUNITIES

- Central location, Post Implementation of the GST, owing to its central location, Nagpur is gradually developing into a transportation and logistics hub, this will enable the company to optimise on the transportation cost of raw material and finished goods.
- Government emphasis on avoid plastic packaging and to promote Bio degradable packaging to provide impetus to the packaging industry.
- Robust growth in e-commerce FMCG, Consumer goods to drive paper board demand.
- Close proximity to Western Coal Fields (WCL) for procurement of coal and availability of biomass from the nearby rice producing regions.
- Three Inland Container Depots (ICD) near by enabling smooth and cost effective infrastructure for import and export of goods.
- Established customer base and dealers network.
- Governments thrust on Education, Literacy and Environment coupled with increasing disposable income and overall economic growth of the nation.
- Levy of Import Duty on imported newsprint as compared to duty free import earlier.
- Levy of IGST on imported newsprint as compared to duty free import in pre-GST regime

WEAKNESS AND THREATS

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

Annexure A to Directors Report

Form No. MR-3

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

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

**To,
THE MEMBERS,
MALU PAPER MILLS LIMITED,
CIN - L15142MH1994PLC076009
HEERA PLAZA, 04TH FLOOR,
NEAR TELEPHONE EXCHANGE,
CENTRAL AVENUE,
NAGPUR, MH - 440008.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALU PAPER MILLS LIMITED**. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MALU PAPER MILLS LIMITED**. ("the Company") for the financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

Annexure A to Directors Report

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(No incidence during the audit period, hence not applicable);**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No incidence during the audit period, hence not applicable);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No incidence during the audit period, hence not applicable);**
- 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 clients;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(No incidence during the audit period, hence not applicable);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(No incidence during the audit period, hence not applicable);**

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

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

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

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

Annexure A to Directors Report

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

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

I further report that

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

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

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

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

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

Date : 12th August, 2019

Place : Nagpur

CS YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY,
Membership No. – 28673
CP No. – 1033

Annexure A to Directors Report

'ANNEXURE - A'

To,

**MALU PAPER MILLS LIMITED,
CIN - L15142MH1994PLC076009
HEERA PLAZA, 04TH FLOOR,
NEAR TELEPHONE EXCHANGE,
CENTRAL AVENUE,
NAGPUR, MH - 440008.**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 12th August, 2019

Place: Nagpur

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

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

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

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

	Name & Description of main products	NIC Code of the products	% to the total turnover
i	Kraft Paper	2800	43.16
ii	Newsprint Writing Printing	2802; 2803	56.84

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)

(i) Category Wise Share Holdings										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8247973	0	8247973	48.3490	8343984	0	8343984	'48.9118	'0.5628
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	3575274	0	3575274	'20.9580	3584024	0	3584024	'21.0093	'0.0513
	Sub Total (A)(1)	11823247	0	11823247	'69.3070	11928008	0	11928008	'69.9211	'0.6141
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	11823247	0	11823247	'69.3070	11928008	0	11928008	'69.9211	'0.6141
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2538478	3562	2542040	'14.9012	2191077	3562	2194639	'12.8648	'-2.0364
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1338575	0	1338575	'7.8466	1511655	0	1511655	'8.8612	'1.0146
(b)	NBFCs registered with RBI	0	0	0	'0.0000	500	0	500	'0.0029	'0.0029
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	363628	0	363628	'2.1316	501121	0	501121	'2.9375	'0.8059
	Non Resident Indians (Non Repat)	2733	0	2733	'0.0160	2575	0	2575	'0.0151	'-0.0009
	Non Resident Indians (Repat)	38223	0	38223	'0.2241	36475	0	36475	'0.2138	'-0.0103
	Clearing Member	244981	0	244981	'1.4361	62434	0	62434	'0.3660	'-1.0701
	Bodies Corporate	705823	0	705823	'4.1375	821843	0	821843	'4.8176	'0.6801
	Sub Total (B)(3)	5232441	3562	5236003	'30.6930	5127680	3562	5131242	'30.0789	'-0.6141
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	5232441	3562	5236003	'30.6930	5127680	3562	5131242	'30.0789	'-0.6141
	Total (A)+(B)	17055688	3562	17059250	'100.0000	17055688	3562	17059250	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	17055688	3562	17059250	'100.0000	17055688	3562	17059250	'100.0000	

(ii) Change in promoter's Shareholding (Please Specify, if there is no change)

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year -			% change in shareholding during the year
		NO.OF	% of total	%of Shares	NO.OF	% of total	%of Shares	
		SHARES	Shares of the	Pledged	SHARES	Shares of the	Pledged/	
		HELD	company	/encumbered to total shares	HELD	company	encumbered to total shares	
1	FRONTLINE COMMERCIAL PVT. LTD.	1505352	'8.8243	'5.6405	1514102	'8.8755	'5.6405	'0.0512
2	KAVERIDEVI JEETMAL MALU	1042487	'6.1110	'0.0000	1042487	'6.1110	'0.0000	'0.0000
3	WISTARIA FARMS PRIVATE LTD	1033500	'6.0583	'6.0583	1033500	'6.0583	'6.0583	'0.0000
4	VASUDEO MALU	726424	'4.2582	'4.2582	726424	'4.2582	'4.2582	'0.0000
5	SHASHIKALA MALU	668753	'3.9202	'3.9126	668753	'3.9202	'3.9126	'0.0000
6	SUNFLAME FUELS PVT. LTD	527255	'3.0907	'3.0907	527255	'3.0907	'3.0907	'0.0000
7	MARIGOLD FARMS PVT. LTD.	412500	'2.4180	'2.4180	412500	'2.4180	'2.4180	'0.0000
8	SUMAN MALU	403750	'2.3668	'2.3668	403750	'2.3668	'2.3668	'0.0000
9	Punamchand Ramlal Malu	402208	'2.3577	'2.3577	402208	'2.3577	'2.3577	'0.0000
10	BANWARILAL MALU	372912	'2.1860	'2.1860	372912	'2.1860	'2.1860	'0.0000
11	Vasudeo Malu (HUF)	370117	'2.1696	'2.1696	370117	'2.1696	'2.1696	'0.0000
12	Damodarlal Ramlal Malu	345833	'2.0272	'2.0272	345833	'2.0272	'2.0272	'0.0000
13	GAJENDRA JEETMAL MALU	313356	'1.8369	'0.0000	317032	'1.8584	'0.0000	'0.0215
14	NARAYAN BANWARILAL MALU	304340	'1.7840	'1.5755	304340	'1.7840	'1.5755	'0.0000
15	Purushottam Ramlal Malu	302083	'1.7708	'1.7708	302083	'1.7708	'1.7708	'0.0000
16	Shrawan Kumar Ramlal Malu	288472	'1.6910	'1.6609	296790	'1.7398	'1.6609	'0.0488
17	MANISHA BANWARILAL MALU	262500	'1.5388	'1.5388	262500	'1.5388	'1.5388	'0.0000
18	Bharat Shrawankumar Malu	239725	'1.4052	'0.0000	320042	'1.8761	'0.0000	'0.4709
19	VENUGOPAL PUNAMCHAND MALU	217958	'1.2777	'1.2762	217958	'1.2777	'1.2762	'0.0000
20	Radheshyam Purushottam Malu	217708	'1.2762	'1.2762	221408	'1.2979	'1.2762	'0.0217
21	Ganpati Malu	181250	'1.0625	'0.0000	181250	'1.0625	'0.0000	'0.0000
22	Anita Shrawankumar Malu	170833	'1.0014	'0.0000	170833	'1.0014	'0.0000	'0.0000
23	Kaushalya Punamchand Malu	170833	'1.0014	'0.0000	170833	'1.0014	'0.0000	'0.0000
24	Pushpa Damodarlal Malu	170833	'1.0014	'0.0000	170833	'1.0014	'0.0000	'0.0000
25	Sushila Purushottam Malu	170833	'1.0014	'0.0000	170833	'1.0014	'0.0000	'0.0000
26	Damodarlal Malu (HUF)	158333	'0.9281	'0.9281	158333	'0.9281	'0.9281	'0.0000
27	PUNAMCHAND MALU { HUF }	158333	'0.9281	'0.9281	158333	'0.9281	'0.9281	'0.0000
28	Purushottam Malu (HUF)	158333	'0.9281	'0.9281	158333	'0.9281	'0.9281	'0.0000
29	Shrawankumar Malu (Huf)	158333	'0.9281	'0.9281	158333	'0.9281	'0.9281	'0.0000
30	Banwarilal Malu (HUF)	129933	'0.7617	'0.7617	129933	'0.7617	'0.7617	'0.0000
31	SOLAR CARBONS PVT LTD	96667	'0.5667	'0.5667	96667	'0.5667	'0.5667	'0.0000
32	GHASIRAM JHUMARLAL MALU	50000	'0.2931	'0.2931	50000	'0.2931	'0.2931	'0.0000
33	SHALINI VENUGOPAL MALU	50000	'0.2931	'0.0000	50000	'0.2931	'0.0000	'0.0000
34	KANTADEVI SHREEVALLABH MALU	27000	'0.1583	'0.0000	27000	'0.1583	'0.0000	'0.0000
35	Omprakash Jhumarlal Malu	14500	'0.0850	'0.0850	14500	'0.0850	'0.0850	'0.0000
	Total	11823247	'69.3070	'51.0029	11928008	'69.9211	'51.0029	'0.6141

(iii) Change in Promoters Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	FRONTLINE COMMERCIAL PVT. LTD.	1505352	8.8243			1505352	8.8243
	Transfer			31 Aug 2018	2500	1507852	8.8389
	Transfer			07 Sep 2018	3104	1510956	8.8571
	Transfer			21 Sep 2018	3146	1514102	8.8755
	AT THE END OF THE YEAR					1514102	8.8755
2	KAVERIDEVI JEETMAL MALU	1042487	6.1110			1042487	6.1110
	AT THE END OF THE YEAR					1042487	6.1110
3	WISTARIA FARMS PRIVATE LTD	1033500	6.0583			1033500	6.0583
	AT THE END OF THE YEAR					1033500	6.0583
4	VASUDEO MALU	726774	4.2603			726774	4.2603
	Transfer			06 Apr 2018	(350)	726424	4.2582
	AT THE END OF THE YEAR					727124	4.2623
5	SHASHIKALA MALU	668753	3.9202			668753	3.9202
	AT THE END OF THE YEAR					668753	3.9202
6	SUNFLAME FUELS PVT. LTD	527255	3.0907			527255	3.0907
	AT THE END OF THE YEAR					527255	3.0907
7	MARIGOLD FARMS PVT. LTD.	412500	2.4180			412500	2.4180
	AT THE END OF THE YEAR					412500	2.4180
8	SUMAN MALU	403750	2.3668			403750	2.3668
	AT THE END OF THE YEAR					403750	2.3668
9	PUNAMCHAND RAMLAL MALU	402208	2.3577			402208	2.3577
	AT THE END OF THE YEAR					402208	2.3577
10	BANWARILAL MALU	372912	2.1860			372912	2.1860
	AT THE END OF THE YEAR					372912	2.1860
11	VASUDEO MALU (HUF)	370117	2.1696			370117	2.1696
	AT THE END OF THE YEAR					370117	2.1696
12	DAMODARLAL RAMLAL MALU	345833	2.0272			345833	2.0272
	AT THE END OF THE YEAR					345833	2.0272
13	BHARAT SHRAWANKUMAR MALU	239725	1.4052			239725	1.4052
	Transfer			15 Jun 2018	1000	240725	1.4111
	Transfer			06 Jul 2018	684	241409	1.4151
	Transfer			13 Jul 2018	7069	248478	1.4566
	Transfer			20 Jul 2018	22	248500	1.4567
	Transfer			27 Jul 2018	12867	261367	1.5321
	Transfer			03 Aug 2018	15175	276542	1.6211
	Transfer			10 Aug 2018	6938	283480	1.6617
	Transfer			17 Aug 2018	32562	316042	1.8526
	Transfer			26 Oct 2018	1000	317042	1.8585
	Transfer			23 Nov 2018	1496	318538	1.8672
	Transfer			30 Nov 2018	1504	320042	1.8761
	AT THE END OF THE YEAR					320042	1.8761
14	GAJENDRA JEETMAL MALU	313356	1.8369			313356	1.8369
	Transfer			06 Jul 2018	2676	316032	1.8526
	Transfer			03 Aug 2018	(3000)	313032	1.8350
	Transfer			23 Nov 2018	4000	317032	1.8584
	AT THE END OF THE YEAR					317032	1.8584
15	NARAYAN BANWARILAL MALU	304340	1.7840			304340	1.7840
	AT THE END OF THE YEAR					304340	1.7840

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
16	PURUSHOTTAM RAMLAL MALU	302083	1.7708			302083	1.7708
	AT THE END OF THE YEAR					302083	1.7708
17	SHRAWAN KUMAR RAMLAL MALU	288472	1.6910			288472	1.6910
	Transfer			01 Mar 2019	7000	295472	1.7320
	Transfer			08 Mar 2019	1000	296472	1.7379
	Transfer			29 Mar 2019	318	296790	1.7398
	AT THE END OF THE YEAR					296790	1.7398
18	MANISHA BANWARILAL MALU	262500	1.5388			262500	1.5388
	AT THE END OF THE YEAR					262500	1.5388
19	RADHESHYAM PURUSHOTTAM MALU	217708	1.2762			217708	1.2762
	Transfer			10 Aug 2018	3700	221408	1.2979
	AT THE END OF THE YEAR					221408	1.2979
20	VENUGOPAL PUNAMCHAND MALU	217958	1.2777			217958	1.2777
	AT THE END OF THE YEAR					217958	1.2777
21	GANPATI MALU	181250	1.0625			181250	1.0625
	AT THE END OF THE YEAR					181250	1.0625
22	KAUSHALYA PUNAMCHAND MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
23	PUSHPA DAMODARLAL MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
24	SUSHILA PURUSHOTTAM MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
25	ANITA SHRAWANKUMAR MALU	170833	1.0014			170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
26	PURUSHOTTAM MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
27	PUNAMCHAND MALU { HUF }	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
28	DAMODARLAL MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
29	SHRAWANKUMAR MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
30	BANWARILAL MALU (HUF)	129933	0.7617			129933	0.7617
	AT THE END OF THE YEAR					129933	0.7617
31	SOLAR CARBONS PVT LTD	96667	0.5667			96667	0.5667
	AT THE END OF THE YEAR					96667	0.5667
32	GHASIRAM JHUMARLAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
33	SHALINI VENUGOPAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
34	KANTADEVI SHREEVALLABH MALU	27000	0.1583			27000	0.1583
	AT THE END OF THE YEAR					27000	0.1583
35	OMPRAKASH JHUMARLAL MALU	14500	0.0850			14500	0.0850
	AT THE END OF THE YEAR					14500	0.0850

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

(iv) Shareholding Pattern of Top Ten Shareholders (MGT-9)

Sr No.	Name & Type of Transaction	Shareholding at the		Transactions during the year		Cumulative	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	BIPS TRADECOM P. LTD	424011	2.4855			424011	2.4855
	AT THE END OF THE YEAR					424011	2.4855
2	ASHOK KUMAR KISHORILAL DAMANI	167641	0.9827			167641	0.9827
	Transfer			13 Apr 2018	(19495)	148146	0.8684
	Transfer			20 Apr 2018	1	148147	0.8684
	Transfer			27 Apr 2018	(5011)	143136	0.8391
	Transfer			25 May 2018	(1000)	142136	0.8332
	Transfer			15 Jun 2018	(200)	141936	0.8320
	Transfer			20 Jul 2018	(4790)	137146	0.8039
	Transfer			03 Aug 2018	(4000)	133146	0.7805
	Transfer			17 Aug 2018	(426)	132720	0.7780
	Transfer			28 Dec 2018	75	132795	0.7784
	AT THE END OF THE YEAR					132795	0.7784
3	SALASAR ALLOY & STEEL INDUSTRIES PVT. LTD	0	0.0000			0	0.0000
	Transfer			07 Sep 2018	1001	1001	0.0059
	Transfer			14 Sep 2018	1700	2701	0.0158
	Transfer			23 Nov 2018	14306	17007	0.0997
	Transfer			14 Dec 2018	5006	22013	0.1290
	Transfer			28 Dec 2018	524	22537	0.1321
	Transfer			31 Dec 2018	4501	27038	0.1585
	Transfer			04 Jan 2019	2015	29053	0.1703
	Transfer			11 Jan 2019	366	29419	0.1725
	Transfer			18 Jan 2019	1315	30734	0.1802
	Transfer			25 Jan 2019	15648	46382	0.2719
	Transfer			01 Feb 2019	19327	65709	0.3852
	Transfer			08 Feb 2019	8089	73798	0.4326
	Transfer			15 Feb 2019	10122	83920	0.4919
	Transfer			22 Feb 2019	18374	102294	0.5996
	Transfer			01 Mar 2019	3036	105330	0.6174
	AT THE END OF THE YEAR					105330	0.6174
4	BHAGIRATH HEDA	62850	0.3684			62850	0.3684
	Transfer			10 Aug 2018	474	63324	0.3712
	Transfer			17 Aug 2018	226	63550	0.3725
	Transfer			24 Aug 2018	3513	67063	0.3931
	Transfer			07 Sep 2018	987	68050	0.3989
	Transfer			14 Sep 2018	3429	71479	0.4190
	Transfer			21 Sep 2018	3214	74693	0.4378
	Transfer			29 Sep 2018	614	75307	0.4414
	Transfer			05 Oct 2018	196	75503	0.4426
	Transfer			19 Oct 2018	100	75603	0.4432
	Transfer			01 Mar 2019	1979	77582	0.4548
	Transfer			22 Mar 2019	4321	81903	0.4801
	AT THE END OF THE YEAR					81903	0.4801
5	CHOPRA NARPATKUMAR KEWALCHAND HUF	0	0.0000			0	0.0000
	Transfer			06 Apr 2018	72713	72713	0.4262
	AT THE END OF THE YEAR					72713	0.4262
6	SARLA BHAGIRATH HEDA	42227	0.2475			42227	0.2475
	Transfer			31 Dec 2018	500	42727	0.2505
	Transfer			04 Jan 2019	5728	48455	0.2840
	Transfer			18 Jan 2019	1	48456	0.2840
	Transfer			25 Jan 2019	1243	49699	0.2913
	Transfer			01 Feb 2019	5857	55556	0.3257
	Transfer			15 Feb 2019	3000	58556	0.3433
	Transfer			01 Mar 2019	2808	61364	0.3597
	Transfer			08 Mar 2019	700	62064	0.3638
	Transfer			22 Mar 2019	3950	66014	0.3870
	Transfer			29 Mar 2019	1400	67414	0.3952
	AT THE END OF THE YEAR					67414	0.3952

7	MALU ELECTRODES PVT. LTD	66587	0.3903			66587	0.3903
	Transfer			03 Aug 2018	50	66637	0.3906
	AT THE END OF THE YEAR					66637	0.3906
8	MANOJ KHANDERIA	74622	0.4374			74622	0.4374
	Transfer			06 Jul 2018	(2000)	72622	0.4257
	Transfer			31 Aug 2018	(4000)	68622	0.4023
	Transfer			07 Sep 2018	(3000)	65622	0.3847
	AT THE END OF THE YEAR					65622	0.3847
9	VANDANA BOOB	29115	0.1707			29115	0.1707
	Transfer			13 Jul 2018	(965)	28150	0.1650
	Transfer			20 Jul 2018	3	28153	0.1650
	Transfer			27 Jul 2018	13542	41695	0.2444
	Transfer			03 Aug 2018	10100	51795	0.3036
	Transfer			10 Aug 2018	43	51838	0.3039
	Transfer			17 Aug 2018	6	51844	0.3039
	Transfer			24 Aug 2018	2	51846	0.3039
	Transfer			31 Aug 2018	(4445)	47401	0.2779
	Transfer			07 Sep 2018	(2283)	45118	0.2645
	Transfer			21 Sep 2018	2	45120	0.2645
	Transfer			29 Sep 2018	3	45123	0.2645
	Transfer			12 Oct 2018	3	45126	0.2645
	Transfer			19 Oct 2018	9	45135	0.2646
	Transfer			02 Nov 2018	14	45149	0.2647
	Transfer			09 Nov 2018	8	45157	0.2647
	Transfer			16 Nov 2018	(14)	45143	0.2646
	Transfer			23 Nov 2018	9522	54665	0.3204
	Transfer			30 Nov 2018	(10)	54655	0.3204
	Transfer			07 Dec 2018	20	54675	0.3205
	Transfer			14 Dec 2018	14	54689	0.3206
	Transfer			21 Dec 2018	2	54691	0.3206
	Transfer			28 Dec 2018	2	54693	0.3206
	Transfer			18 Jan 2019	5000	59693	0.3499
	Transfer			01 Feb 2019	(339)	59354	0.3479
	Transfer			15 Feb 2019	250	59604	0.3494
	Transfer			22 Mar 2019	100	59704	0.3500
	AT THE END OF THE YEAR					59704	0.3500
10	SHRUTI RADHESHYAM MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931

(v) Shareholding of Directors and Key Managerial personnel

Sr. No.	Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		Number of shares held	% of the total Shares of the Company	Date	Increase/Decrease Shareholding	Reason	No. of Shares	% of the total Shares of the Company
1	DAMODARLAL MALU	345,833	2.03	01/04/2018		Nil movement		
	Chairman	345,833	2.03	31/03/2019				
2	PUNAMCHAND MALU	402,208	2.36	01/04/2018		Nil movement		
	Managing Director	402,208	2.36	31/03/2019				
3	BANWARILAL MALU	372,912	2.19	01/04/2018		Nil movement		
	Jt. Managing Director	372,912	2.19	31/03/2019				
4	VASUDEO MALU	726,424	4.26	01/04/2018		Nil movement		
	Non Executive Director	726,424	4.26	31/03/2019				
5	Chandrakant Thakkar	2,232	0.01	01/04/2018		Nil movement		
	Non Executive Director	2,232	0.01	31/03/2019				
6	Satyanarayan Rathi	-	-	01/04/2018		Nil movement		
	Non Executive Director	-	-	31/03/2019				
7	Shyamsunder Sarda	-	-	01/04/2018		Nil movement		
	Non Executive Director	-	-	31/03/2019				
8	Shrutika Inani	-	-	01/04/2018		Nil movement		
	Non Executive Director	-	-	31/03/2019				
9	Girish Malpani	-	-	01/04/2018		Nil movement		
	CFO	-	-	31/03/2019				
10	Mayuri Asawa	-	-	01/04/2018		Nil movement		
	CS	-	-	31/03/2019				

V INDEBTEDNESS

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

	Particulars	Secured Loans Excluding deposits	unsecured loans	deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i	Principal Amount	418,573,013.00	410,725,000.00	-	829,298,013.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	418,573,013.00	410,725,000.00	-	829,298,013.00
Change in Indebtedness during the financial year					
	Addition	-	82,675,000.00	-	82,675,000.00
	Reduction	(137,768,484.00)	-	-	(137,768,484.00)
	Net change	(137,768,484.00)	82,675,000.00	-	(55,093,484.00)
Indebtedness at the end of the financial year					
i	Principal Amount	280,804,529.00	493,400,000.00	-	774,204,529.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	280,804,529.00	493,400,000.00	-	774,204,529.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr No	Particulars of Remuneration	Name of MD/ JMD		Total Amount
		Punamchand Malu	Banwarilal Malu	
1	Gross Salary	20,00,000	20,00,000	40,00,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total (A)	20,00,000	20,00,000	40,00,000

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

B Remuneration to other Directors

Sr No	Particulars of Remuneration	Name of Directors						Total Amount
		Chandrakant Thakar	Satyanarayan Rathi	Shyamsunder Sarda	Shrutika Inani	Damodarlal Malu	Vasudeo Malu	
1 Independent Directors								
a	For attending Board/ Committee Meetings	17000	19000	10000	24000	-	-	70000
b	Commission	-	-	-	-	-	-	-
c	Others	-	-	-	-	-	-	-
	Total (1)	17000	19000	10000	24000	0	0	70000
2 Other Non Executive								
a	For attending Board/ Committee Meetings	-	-	-	-	15000	19000	34000
b	Commission	-	-	-	-	-	-	-
c	Others	-	-	-	-	-	-	-
	Total (2)	0	0	0	0	15000	19000	34000
	Total B (1+2)	17000	19000	10000	24000	15000	19000	104000

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

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

C Remuneration to Key Managerial Personnel

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Girish Malpani, CFO	Mayuri Asawa, CS	
1	Gross Salary	3656330	60000	3716330
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total (A)	3656330	60000	3716330

VII

PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ Copounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal Made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

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

A. Conservation of energy

	Power & Fuel Consumption	Current Year	Previous Year
1	Electricity (Purchased) Units	1,40,96,752	1,27,96,399
	Total Amount	9,91,17,639	7,25,89,330
	Rate per Unit	7.03	5.67
2	Electricity (Generated) Units	3,66,81,900	3,74,11,300
	Diesel consumed in Liters	-	-
	Total Amount	-	-
	Rate per Unit	-	-
3	Total Units consumed	5,07,78,652	5,02,07,699

B. Consumption per unit of production

Quality		Kwh/MT	Kwh/MT
Kraft Paper	:	307.422	248.693
Newsprint, Writing & Printing Paper	:	925.189	928.556

C. Energy conservation measures

- Installation of energy efficient LED lamps in Plant and common lighting area by replacement of copper ballasts thereby saving in consumption of electricity.
- Optimization of pipeline sizes and routing of pipes to reduce the running load of pump motors.
- Using Biomass fuel in the captive power plants and in process boilers to reduce green house gas emissions.

B. Technology absorption and research and development

(1) Research and Development:

Technical discussion and presentation by the suppliers to the technical staff for upgrading the systems and adopt industrial best practices and sharing of R & D knowledge of the equipment suppliers was done during the year.

(2) R & D Expenditure

31st March, 2019 31st March, 2018

Amount in Rs

(a) Capital	NIL	NIL
(b) Revenue		
(c) Total		
(d) Total R&D expenditure as % of Total Turnover		

(3) Technology absorption, adaption and innovation

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

- Updation of process and investment in new age products and advanced equipments was done in the plants to improvise the process.
- Regular interaction with equipment designers and manufacturers for improvements to processing and operating parameters.

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

- The Company has benefited by increasing the output due to induction of new and advanced equipments.

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

C. Foreign Exchange Earning and Outgo

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

The company has successfully marketed its product in the China Market and continues to sell its product in its existing markets in Africa and Asia.

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

	Amount in Rs.	
	Current Year	Previous Year
Earning	18,87,80,569	18,55,25,078
Outgoing	29,18,96,332	17,82,96,311

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on the Corporate Governance for the financial year 2018-19 as incorporated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

2. BOARD OF DIRECTORS:

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

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

The Board of Directors meets at least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other business. 06 (six) meetings of Board of Directors were held on 29/05/2018, 31/07/2018, 09/08/2018, 29/10/2018, 14/11/2018 and 12/02/2019 during the financial year.

Attendance of each Director at the meetings of Board of Directors held during the financial year 2018-19, last Annual General Meeting and the Number of Directorships and memberships of Committees of each Director in various Companies during the period under review is as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	Relationship with other directors
Shri Punamchand Malu	ED	5	YES	Brother of Shri Damodarlal Malu
Shri Banwarilal Malu	ED	6	YES	Brother of Shri. Vasudeo Malu
Shri Damodarlal Malu	NED	5	YES	Brother of Shri Punamchand Malu
Shri Vasudeo Malu	NED	5	YES	Brother of Shri Banwarilal Malu
Shri Satyanarayan Rathi	ID	5	YES	-
Shri Chandrakant Thakar	ID	3	YES	-
FCA Shrutika Inani	ID	6	YES	-
Shri Shyamsunder Sarada	ID	4	NO	-

Notes-

- ED- Executive Director; NED Non Executive Director; ID – Independent Director

NUMBER OF DIRECTORSHIPS/COMMITTEE POSITIONS OF DIRECTORS AS ON 31 MARCH 2019

Name of Director	Directorships			Committee positions in listed and unlisted public limited companies	
	In equity listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Shri Punamchand Malu	1	-	2	-	-
Shri Banwarilal Malu	1	-	4	1	0
Shri Damodarlal Malu	1	-	3	-	-
Shri Vasudeo Malu	1	-	2	-	-
Shri Satyanarayan Rathi	1	-	-	2	1
Shri Chandrakant Thakar	1	1	1	3	1
FCA Shrutika Inani	1	-	-	1	1
Shri Shyamsunder Sarada	1	-	-	1	0

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.

CORE SKILL/EXPERTISE/COMPETENCIES

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is given below.

Sr. no	List of Core Skills/Expertise/Competencies
1	Management and Strategy
2	Information Technology, Systems and Computers
3	Global Business Leadership
4	Human Resources and Industrial Relations
5	Sales, Marketing and International Business
6	Finance and Taxation
7	Law
8	Corporate Governance and Ethics
9	Economics and Statistics
10	Audit and Risk Management

3. AUDIT COMMITTEE:

The Audit Committee as on 31-03-2019 comprised of three independent Non-Executive Directors namely FCA Shrutika Inani (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Chandrakant Thakar.

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

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

During the year under review 04 (Four) meetings were held on 29/05/2018, 09/08/2018, 14/11/2018 and 12/02/2019. The following table gives attendance record:

Sl. No.	Name of the Members of Audit Committee	Number of Meetings held	Number of Meetings attended
1	FCA Shrutika Inani	4	4
2	Shri Satyanarayan Rathi	4	4
3	Shri Chandrakant Thakar	4	3

4. SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee as on 31st March 2019 comprised of three Directors i.e. Mr. Satyanarayan Rathi (Chairman of the Committee), Mr. Chandrakant Thakar and Mr. Banwarilal Malu

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

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

During the year under review, the Company has received 01 complaint from applicant/shareholder, which inter-alia included non-receipt of Annual Report and the complaints was duly taken into consideration and reply has been filed on the same. No complaint was pending as on March 31, 2019.

The Committee met on 03/09/2018 in which three directors were respectively present.

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

5. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee as on 31-03-2019 comprised of three independent Non-Executive Directors namely Shri Chandrakant Thakar (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Shyamsunder Sarada.

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

The Committee met on 31/07/2018 in which three directors were respectively present.

Sl. No.	Name of the Members of Shareholders' Grievance Committee	Number of Meetings held	Number of Meetings attended
1	Shri Satyanarayan Rathi	1	1
2	Shri Chandrakant Thakar	1	1
3	Shri Shyamsunder Sarda	1	0

6. REMUNERATION OF DIRECTORS:

- i. During the financial year 2018-19, the Company has made the following payments to the Non-executive Directors/Independent directors:

Sr.no	Name of Director	Sitting Fees (Rs.)
1.	Shri Damodarlal Malu	15,000/-
2.	Shri Vasudeo Malu	19,000/-
3.	Shri. Chandrakant Thakar	17,000/-
4.	Shri. Shyamsunder Sarda	10,000/-
5.	Shri. Satyanarayan Rathi	19,000/-
6.	FCA. Shrutika Inani	24,000/-

ii. CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

- a) All the remuneration of the Non- Executive Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- iii. Details of Remuneration paid to the Managing Director and Joint Managing Director for the year ended 31 March, 2019.

Total remuneration paid to the Managing Director and Joint Managing Director during the financial year 2018-19 was as under:

Name	Designation	Salary (Rs.)	Commission (Rs.)	Contribution to Provident and Pension Fund (Rs.)
Shri. Punamchand Malu	Managing Director	20,00,000/-	Nil	Nil
Shri. Banwarilal Malu	Joint Managing Director	20,00,000/-	Nil	Nil

7. MEETING OF INDEPENDENT DIRECTORS:

During The year under review, all the Independent Directors of the Company met on 09 August, 2018, to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

8. GENERAL BODY MEETINGS

Financial year ended	Date & Time	Nature	Special Resolutions passed
31 March, 2018	21st day of September, 2018 at 3:00 p.m	Annual General Meeting	<ul style="list-style-type: none"> • To Increase the remuneration of Managing Director • To Increase the remuneration of Joint Managing Director • To Increase the remuneration of Vice President(Purchase)
31 March, 2017	27th day of September, 2017 at 3:00 p.m	Annual General Meeting	<ul style="list-style-type: none"> • To approve the remuneration of the Cost Auditors
31 March, 2016	24th day of September, 2016	Annual General Meeting	-

Venue for all the above mentioned general meetings was Registered Office i.e Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 440 008

During the financial year 2018-19 under review, no resolutions were passed by the shareholders through postal ballot.

9. OTHER DISCLOSURES:

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

The Policy on related party transactions as approved by the Board may be viewed on the Company's website at the web link: www.malupaper.com.

- II. Details of non-compliances, penalties and strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years: **None**

- III. WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the Report of the Board of Directors forming part of the Report and Accounts.

- IV. total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditors, M/s. R.A Kuvadia, Chartered accountants is Rs. 3,54,000/-.
- V. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided Report of the Board of Directors forming part of the Report and Accounts.

10. MEANS OF COMMUNICATION:

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

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

Name of the Director	Shri Vasudeo Malu	Shri Chandrakant Jaydevshankar Thakar	Shri Satyanarayan Rathi	FCA Shrutika Inani	Shri Shyamsunder Shivnarayan Sarda
DIN	00301313	00784189	01797378	06937649	02399265
Date of Birth	07/06/1960	21-04-1936	07-09-1953	18-12-1982	14-03-1958
Date of Appointment	11/01/1994	11/11/2005	11/11/2005	25/09/2014	29/09/2011
Expertise in specific functional area	Businessman	Taxation	Businessman	Accounts & Finance	Businessman
Qualification	B.Com	BA, LL.B	B.Com	CA	B.Com
No. of equity shares held	726,424	2,232	-	-	-
Chairman/ Member of the Committees of the Board of Directors of the Company	-	Chairman of NRC Member of AC & SRC	Chairman of SRC Member of AC & NRC	Chairman of AC	Member of NRC

12. GENERAL SHAREHOLDERS INFORMATION

1. Twenty sixth Annual General Meeting:

Date : 27th September, 2019.

Time : 3.00 PM

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

2. Dates of Book Closure:

20th September 2019 to 27th September 2019 (both days inclusive).

3. Financial Calendar of the Company:

The Financial Year covers the period from 1 April, 2019 to 31 March, 2020.

Financial Reporting for 2019-20 (Tentative)

Unaudited Financial results for the quarter ending	30-06-2019	August, 2019
Unaudited Financial results for the quarter ending	30-09-2019	November, 2019
Unaudited Financial results for the quarter ending	31-12-2019	February, 2020
Unaudited Financial results for the quarter ending	31-03-2020	May, 2020

4. Listing on Stock Exchanges:

The equity shares of the Company are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India. The requisite annual listing fees for the year 2019-20 have been paid in full to the Stock Exchanges.

5. Stock Code:

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

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE from April 01, 2018 to March 31, 2019 are given below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2018	43.00	30.35	43.30	30.00
May, 2018	44.35	37.05	45.40	38.10
June, 2018	39.95	34.00	40.30	33.45
July, 2018	45.00	36.00	44.30	35.55
August, 2018	50.95	45.05	49.95	45.00
September, 2018	51.45	45.20	51.45	44.10
October, 2018	47.20	37.05	47.50	37.55
November, 2018	49.30	40.00	49.00	39.25
December, 2018	45.10	36.90	45.60	34.80
January, 2019	43.95	28.40	40.45	28.35
February, 2019	30.00	20.00	30.40	19.90
March, 2019	31.10	24.90	31.50	25.00

6. Registrar and Transfer Agents:

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

7. Share Transfer System:

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

8. Distribution of Equity Shareholding as on 31-03-2019:

Shareholding of Shares			Share holders		Total Shares	
			Number	%	Shares	%
1	-	500	3,738	76.0065	585258	3.43
501	-	1000	547	11.1224	452498	2.65
1001	-	2000	260	5.2867	403503	2.37
2001	-	3000	90	1.8300	226834	1.33
3001	-	4000	43	0.8743	152887	0.90
4001	-	5000	38	0.7727	180197	1.06
5001	-	10000	79	1.6063	571596	3.35
1000	And	Above	123			
1				2.5010	14486477	84.92
TOTAL			4918	100.0000	1,70,59,250	100.0000

9. Shareholding Pattern as on 31-03-2019:

Category	No. of Shares held	% of Share holding
Individual/HUF promoters	8343984	48.9118
Promoters Corporate Bodies	3584024	21.0093
Indian Public	5092192	29.85
NRIs	39050	0.2289
TOTAL	17,059,250	100.00

10. Dematerialisation of Shares:

As at 31st March 2019, 170,55,688 (99.97%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days. No GDRs, ADRs or warrants have been issued by the Company.

11. Registered Office and Address of Correspondence :

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

12. Plant Locations:

Kraft Division

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

Newsprint & Writing Printing Division

Village: Heti Surla
Taluka: Saoner
Nagpur Bhopal Highway
District: Nagpur.

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

To,
The Board of Directors
Malu Paper Mills Ltd.

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

- (a) we have reviewed financial statements and the cash flow statement for the financial year 2018-19 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 12/08/2019
Place : Nagpur

Punamchand Malu
Managing Director

Girish Malpani
CFO

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer, Shri. Girish Malpani and the Company Secretary, Ms. Mayuri Asawa as on March 31, 2019.

Date : 12/08/2019

Place : Nagpur

Punamchand Malu
Managing Director

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

To

The Members

Malu Paper Mills Limited

We have examined the compliance of corporate governance by Malu Paper Mills Limited ("the Company") for the year ended on March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period ended on March 31, 2019;

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

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

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

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

**Place : Camp Jasper
Date : 12.08.2019**

**R. A. Kuvadia
Proprietor
M.No.40087
UDIN : 19040087AAAAFM9959**

**To
The Members of
MALU PAPER MILLS LIMITED**

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MALU PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s. 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows 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) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How are audit addressed the key audit matter
<u>Impairment of Assets.</u>	
<p>At the end of every reporting period the Company assesses whether there is any indication that an asset may be impaired and if any such indication exists the company estimates the recoverable amount of the asset. The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements-. Impairment of Assets is key Audit area considering the significant of carrying value and judgements.</p>	<p>We obtained the management's impairment assessment. We evaluated the key assumptions by comparing the same with prior years data where available we assessed the disclosures in accordance with Ind AS 36 "Impairment of Assets".</p>

Other Information

The company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objective 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 judgement and maintain professional scepticism 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.
- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3), 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, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
 - g) 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. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
 - 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.
 - ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on 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 Funds of the Company.

**For R. A. Kuvadia & Co.
Chartered Accountants
FRN: 105487W**

**Place: Mumbai
Date: 20.05.2019**

**R. A. Kuvadia
(Proprietor)
M. No.040087**

**“Annexure – A” to the Auditors’ Report
(Referred to in Paragraph 1 under ‘Report on other Legal and Regulatory Requirements section of our report of even date)**

1. (a) The Company is in the process of updating records showing particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management at the year end and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of freehold immovable properties are held in the name of the Company and those taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. (a) The stock of Finished Goods, Raw materials, Stores and consumables were physically verified by the Management quarterly;

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The company has not granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no outstanding/unclaimed deposits and hence compliance of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 does not arise.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax including Value Added Tax, Service Tax, Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Value Added Tax, Service Tax, Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, no disputed payables in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31st March 2019.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. 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.
13. According to the information and explanation given to us, the Company has entered into transaction with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions

with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. A. Kuvadia & Co.
Chartered Accountants
FRN: 105487W**

**Place: Mumbai
Date: 20.05.2019**

**R. A. Kuvadia
(Proprietor)
M. No. 040087**

“Annexure –B” to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **MALU PAPER MILLS LIMITED** (“the Company”) as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. A. Kuvadia & Co.
Chartered Accountants
FRN: 105487W**

**Place: Mumbai
Date: 20.05.2019**

**R. A. Kuvadia
(Proprietor)
M. No. 040087**

MALU PAPER MILLS LTD ; NAGPUR

BALANCE SHEET AS AT 31ST MAR'2019			
Particulars	Notes	As at 31st Mar 19	As at 31st Mar 18
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	793910562	802608716
Capital work in progress	2	8230555	10628650
Investment properties		-	-
Intangible assets		-	-
Financial Assets:			
i Investments	3	1100000	1100000
ii. Other	4	5717929	5393968
Other non-current Assets	5	3184172	2831272
Deffered Tax Asset (Net)	6	57385000	83966662
Total non-current assets		869528218	906529269
Current Assets			
Inventories	7	266482400	314114000
Financial Assets			
i. Trade Receivables	8	238990547	278583436
ii. Cash and Cash Equivalents	9	834345	553875
iii. Bank balances other than Cash & Cash Equivalent	10	7630804	15581945
iv. Other financial assets	11	11930480	22684052
Other current assets	12	9507942	51108822
Total Current Assets		535376518	682626129
Total Assets		1404904736	1589155398
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	170592500	170592500
Other Equity	14	139564116	74941974
Total Equity		310156616	245534474
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	125678318	266419696
Provisions	16	8739003	6899606
Other non-current liabilities		-	-
Total Non-Current liabilities		134417320	273319301
Current Liabilities			
Financial Liabilities			
i. Borrowings	17	734031261	656460350
ii. Trade Payables	18	191267425	323844428
iii. Other Financial Liabilities	19	35032113	89996845
Provisions		-	-
Other current liabilities		-	-
Total Current Liabilities		960330799	1070301623
Total Liabilities		1094748119	1343620925
Total Equity and Liabilities		1404904736	1589155398
Significant accounting policies 1			
Notes to the financial statements 2-40			
The notes referred to above form an integral part of the financial statements.			
For Malu Paper Mills Limited,		As per our Report of even date, For R.A.Kuvadiah & Co. Chartered Accountants	
Punamchand Malu	Banwarilal Malu	Girish Malpani	Mayuri Asawa
(Managing Director)	(Jt. Managing Director)	(CFO)	(Company Secretary)
(Din 00301030)	(Din 00301297)		
Place : Nagpur			R.A.Kuvadiah
Date : 20/05/2019			Proprietor
			M.No. 040087
			FRN : 105487W

MALU PAPER MILLS LTD ; NAGPUR

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAR'2019			
Particulars	Note	For The Year Ended 31st Mar 2019	For The Year Ended 31st Mar 2018
CONTINUING OPERATIONS			
Revenue from Operations	20	2,744,456,967	2,820,667,565
Other Income	21	10,905,954	11,563,369
Total Income		2,755,362,921	2,832,230,934
Expenses			
Cost of Material Consumed	22	1,697,770,010	1,879,657,229
Purchase of Stock in trade		-	-
Excise duty on sale of goods	23	-	29,273,764
Changes in Inventories of Work in progress and Finished Goods	24	(45,136,200)	9,410,000
Employee benefit expenses	25	88,173,092	80,117,035
Depreciation and Amortization expense	2	47,777,984	48,034,557
Impairment of assets		-	-
Other expenses	26	768,856,344	644,109,398
Finance Costs	27	97,132,597	120,049,855
Total Expenses		2,654,573,826	2,810,651,838
Profit before exceptional items and tax		-	-
Exceptional items		-	-
Profit before tax		100,789,095	21,579,096
Income Tax expenses		-	-
Current Tax		-	-
Mat Credit Entitlement		-	-
Deferred Tax		26,581,662	6,981,817
Income Tax for prior period		-	-
Total tax expenses		26,581,662	6,981,817
Profit/(loss) for the period from continuing operations		74,207,433	14,597,280
Other Comprehensive Income			
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss		-	-
Remeasurement of employees benefit obligations		36,087	-
Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
Other Comprehensive Income for the period (net of tax)		-	-
Total Comprehensive Income for the year		74,243,520	14,597,280
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (In `)		4.35	0.86
Diluted Earning per share (In `)		4.35	0.86
Significant accounting policies	1		
Notes to the financial statements	2-40		
The notes referred to above form an integral part of the financial statements.			
For Malu Paper Mills Limited,		As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants	
Punamchand Malu Banwarilal Malu Girish Malpani Mayuri Asawa (Managing Director) (Jt.Managing Director) (CFO) (Company Secretary) (Din 00301030) (Din 00301297)		R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W	
Place : Nagpur			
Date : 20/05/2019			

MALU PAPER MILLS LTD ; NAGPUR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAR, 2019		
Particulars	For The Year Ended 31st Mar 2019	For The Year Ended 31st Mar 2018
Cash flow from Operating activities		
Profit before income tax from Continuing Operations	100,789,095	21,579,096
Non-Cash Income	(9,621,377)	(10,097,939)
Profit before income tax including discontinued operations	91,167,717	11,481,157
Adjustments for		
Depreciation and amortisation	47,777,984	48,034,557
Non-Cash Expense- Provision for Gratuity	1,875,484	1,600,233
Loss/(Gain) on disposal of Property, plant and equipment	(76,899)	-
Dividend and interest income classified as investing cash flows	(1,207,678)	(1,465,430)
Finance Costs	97,132,597	120,049,855
Net exchange differences		
Total	236,669,205	179,700,373
(increase) / Decrease in trade receivables	39,592,888	(43,906,037)
(increase) / Decrease in inventories	47,631,600	(85,337,450)
Increase /(Decrease) in Trade Liabilities and Other Financial Liabilities	(187,541,735)	169,881,489
(increase) / Decrease in Other Financial Assets	10,753,572	(3,964,637)
(Increase)/Decrease in Other Current Assets (Excluding Income Tax)	41,600,880	(22,184,662)
Total	(47,962,795)	14,488,703
Cash generated from operations	188,706,410	194,189,076
Less: Income Tax paid	-	-
Net cash inflow from operating activities	188,706,410	194,189,076
Cash flow from investing activities		
Payments for property, plant and equipment	(36,844,834)	(17,698,176)
Change in Other Financial Assets	795,603	1,112,647
Change in Other Non Current Assets	(352,900)	44,523,311
Proceeds from sale of property, plant and equipments	240,000	-
Interest received	88,114	60,521
Net Cash Flow from investing activities	(36,074,017)	27,998,302
Cash flow from financing activities		
Proceeds/Repayments of borrowings (Net)	(63,170,467)	(102,382,470)
Interest paid	(97,132,597)	(120,049,855)
Repayment of Other Non-Current Liabilities	-	-
Net cash inflow (outflow) from financing activities	(160,303,065)	(222,432,325)
Net increase (decrease) in cash and cash equivalents	(7,670,672)	(244,947)
Cash and Cash equivalents at the beginning of the financial year	16,135,820	16,380,767
Cash In Hand	363,627	534,853
Bank Balances	15,772,193	15,845,912
Cash and cash equivalents at the end of the financial year	8,465,149	16,135,820
Cash In Hand	390,396	363,627
Bank Balances	8,074,752	15,772,193
Note:		
A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on 'Statement of Cash Flows'.		
B) Under Previous GAAP, bank overdrafts were presented as part of "Cash flows from financing activities" in the statement of cash flows. Under Ind AS, bank overdrafts are included as a component of cash and cash equivalents in the statement of cash flows.		
For Malu Paper Mills Limited.	As per our Report of even date, For R.A.Kuvadiah & Co. Chartered Accountants	
Punamchand Malu Banwarilal Malu Girish Malpani Mayuri Asawa (Managing Director) (Jt.Managing Director) (CFO) (Company Secretary)	R.A.Kuvadiah Proprietor M.No. 040087 FRN : 105487W	
Place : Nagpur		
Date : 20/05/2019		

Notes Forming Part Of The Financial Statements

1. Corporate Information

Malu Paper Mills Limited (“the Company”) is engaged in Manufacturing of Pulp & Paper.

The company is a public limited company incorporated and domiciled in India and has Registered Office at Heera Plaza, 4th Floor, Near Telephone Exchange, Nagpur 440008. The Equity shares of the company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE).

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2015 and the relevant provisions of the Companies Act, 2013 (“the Act”).

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Significant accounting judgements, estimates and assumptions:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These judgements and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.3 Current versus non – current classification:

All the assets and liabilities have been classified as current or non – current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non – current classification of assets and liabilities.

2.1 Property, Plant and Equipment (PPE)

- PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.
- If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.
- Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment".
- The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

Capital Work-in-Progress

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, will be provided on the same basis as other property assets are ready for their intended use.

2.2 Depreciation

Depreciation on Property, Plant and Equipment (other than Freehold Land and Capital Work-in-progress) is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013.

The Company has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein.

Land under finance lease is amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

2.3 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated Amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per Schedule II of Companies Act, 2013.

The estimated useful life and amortizations method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.4 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.5 Inventories

- Inventories are valued at lower of cost and net realizable value.
- Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- Cost of raw materials, packing materials, including materials in transit, work in process and finished goods are arrived at on the First in first out method of valuation, including manufacturing overheads wherever applicable.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

2.7 Segment Reporting

- The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.
- The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.
- Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of

the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, where neither continuing managerial involvement nor effective control over the goods sold is retained. Sales are exclusive Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Rental Income

Rental Income is accounted as and when accrues.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividends

Dividend Income is accounted for when Company's right to receive income is established.

Duty Drawback

Income from duty drawback and export incentives is recognized on an accrual basis.

2.11 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating Leases:

Lease agreements where risk and rewards incidental to ownership of an assets, substantially vests with the Lessor, are classified as operating lease.

2.12 Employee Benefits

(i) Short term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(ii) Long-term benefits:

- **Defined Contribution Plan:**

- **Provident and Family Pension Fund:**

- The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to AACL Trust -Provident Fund Trust. Provident Fund classified as Defined Contributions Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the statement of profit and loss as incurred.

- **Defined Benefit Plan:**

- **Gratuity:**

- The Company has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The Company makes contribution to AACL Gratuity Fund Trust based thereon.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

Compensated Absences:

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

2.13 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14 Cash & Cash Equivalent:

Cash and Cash equivalent in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of the three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in Balance Sheet.

2.15 Earnings per Share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.16 Foreign Currency Transactions

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.17 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- The entity’s business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income:

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

The impairment provision for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Credit Policy approved by the Company for bad debts considering past history of bad debts, instead of recognizing allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based as specified by the Board. The Company will reassess the model periodically and make the necessary adjustments for loss allowance.

Derecognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition 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 profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A 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 liabilities and equity instruments:

- **Classification as debt or equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

Derecognition of financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derivative Financial Instruments:

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

2.18 Research and Development:

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is considered as an addition to Property, Plant and Equipment/Intangible Assets.

2.19 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the management to make judgment's, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgment's

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 34.

Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Employee Benefit Plans

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Fair Value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of Assets

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

Provisions & Contingent liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Standard issued but not yet Effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the standalone financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry Of Corporate Affairs (MCA) has issued the companies (Indian Accounting Standards) first and second Amendment Rules,2019 to amend/insert the following:

Ind AS 116 Leases

Ind AS 116, 'Leases' was notified by Ministry Of Corporate Affairs on March 30,2019 and it replaced Ind AS 17 including appendices thereto. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to accounts for all leases under a single lessee accounting model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemption for lessees-leases for which underlying assets is of low value and short-term leases i.e., leases with a lease term of 12 months or less.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use assets). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation charge on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events(e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally reconise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss.

Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17.

Effective date for application of Ind AS 116 is annual period beginning on or after April 1, 2019. As the company does not have any material losses, therefore the adoption of this standard is not likely to have a material impact on its Standalone Financial Statements.

Amendment to Ind AS 19- Plan amendments, curtailments and settlements

Amendment to Ind As 19, 'Employee Benefits' was notified by Ministry Of Corporate Affairs on March 30, 2019 in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity:

- To use updated assumption to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is currently evaluating the impact of this amendment on its Standalone Financial Statements.

Amendment to Ind AS 12 – accounting for dividend distribution tax

Amendment to Ind AS 12, 'Income Taxes' was notified by Ministry Of Corporate Affairs On March 31, 2019. In connection with accounting for dividend distribution tax.

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

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is currently evaluating the impact of this amendment on its Standalone Financial Statements.

Appendix C to Ind AS 12- Uncertainty over income tax treatments

Appendix C to Ind AS 12, 'Income Tax', was notified by Ministry Of Corporate Affairs On March 30, 2019 in connection with accounting for uncertainty over income tax treatments.

The Appendix is to be applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition- i) Full retrospective approach- under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 'Accounting Policies, changes in Accounting Estimates and Errors', without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix c recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of Appendix C to Ind AS 12 is annual period beginning on or after April 1, 2019. The company is currently evaluating the impact of the Appendix on the Standalone Financial Statements.

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NOTE 2 : Property Plant and Equipment & Capital WIP

Sr. No.	Fixed Assets	Useful Life	Gross Block				Accumulated Depreciation				Profit / Loss on sale of Fixed Assets	Net Block	
			Balance as at 1 April 2018	Additions during the year	Disposal / Transfer during the year	Balance as at 31 Mar 2019	Balance as at 1 April 2018	Depreciation charge for the year	Tr. Of depreciation on Assets Sold	Balance as at 31 Mar 2019		Balance as at 31st Mar 2019	Balance as at 31 Mar 2018
a	Tangible Assets (Under Lease)												
1	Leasehold Land		8573045			8573045	1082916	90243		1173159		7399886	7490129
b	Tangible Assets (Not Under Lease)												
1	Freehold Land		7631171			7631171		0				7631171	7631171
2	Factory Building	30	211251909			211251909	77112297	6454970		83567267		127684642	134139612
3	Office Building	60	702610			702610	226292	10761		237053		465557	476318
4	Office Building (Ho)	60	1065670			1065670	239480	16445		255925		809745	826190
5	Staff Quarters	60	1712841			1712841	590214	26170		616384		1096457	1122627
6	Plant & Machinery	25	775450493	37359610		812810103	346216247	26718872		372935119		439874983	429234246
7	Furniture & Fixture	10	3363016			3363016	2816391	176335		2992726		370290	546625
8	Office Equipment	25	1002474			1002474	641665	21755		663420		339054	360809
9	Computers	3	1907161	20000		1927161	1885718	23190		1908908		18253	21443
10	Boiler	25	12059151			12059151	8950307	288649		9238956		2820195	3108844
11	Captive Power Plant	25	201377144			201377144	87253450	6610346		93863796		107513348	114123694
12	Water Supply Equipments	25	252811			252811	249173	3001		252174		637	3638
13	Fire Fighting Equipments	25	214497			214497	137033	5989		143022		71475	77464
14	Effluent Treatment	25	30625732			30625732	14248104	1284900		15533004		15092728	16377628
15	Electrical Installation	25	120371331			120371331	52184994	4172805		56357799		64013532	68186337
16	Crane, Weigh bridge, Workshop Equip.	25	24831502			24831502	10528559	859799		11388358		13443144	14302943
17	Vehicles	10	23995571	1863321	660000	25198892	19416573	1013753	496899	19933427	240000	5265465	4578998
	Total		1426388129	39242931	660000	1464971060	623779413	47777984	496899	671060497	240000	793910562	802608716
b	Capital Work In Progress		10628650	8230555	10628650	8230555	0	0	0	0		8230555	10628650
	Total		1437016779	47473485	11288650	1473201614	623779413	47777984	496899	671060497	240000	802141117	813237367

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NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
3	<u>INVESTMENTS</u>		
A	Investment in Equity instruments (Unquoted)		
	At Fair Value Through Other Comprehensive Income Ganga Care Hospitals Ltd. (110000 Equity Shares of Rs. 10 each)	1,100,000	1,100,000
	Total :	<u>1,100,000</u>	<u>1,100,000</u>
<p>The above equity investment is to be measured at fair value .However, due to insufficient information to measure fair value, Cost has been taken as the Fair Value, in compliance with Para B.5.2.3 of Ind AS 109.</p>			
4	<u>Other Non Current Financial Assets</u>		
A	Fixed Deposit with Bank (Against Margin Money for Bank Guarantee)	5,001,576	5,001,576
B	Accrued Interest on Fixed Deposit with Bank	716,353	392,392
	Grand Total :	<u>5,717,929</u>	<u>5,393,968</u>
5	<u>Other Non Current Assets</u>		
A	Security Deposits		
	Unsecured, considered good Deposits with Government Authorities	3,184,172	2,831,272
	Total :	<u>3,184,172</u>	<u>2,831,272</u>
6	<u>Deffered Tax Assets (Net)</u>		
a	Deffered Tax Assets		
	Unabsorbed Depreciation , Business Loss and Other employees entitlement.	248,466,000	259,660,662
b	Deffered Tax Liability		
	Depreciation & Amortisation	191,081,000	175,694,000
	Total :	<u>57,385,000</u>	<u>83,966,662</u>

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NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
7	<u>INVENTORIES</u>		
a	Raw Materials and components (Valued at cost or NRV whichever is lower)	111,788,800	194,126,400
	Waste Paper - Indian	40,140,500	153,362,400
	Waste Paper - Imported	54,583,100	19,092,600
	Chemical	17,065,200	21,671,400
		<u>111,788,800</u>	<u>194,126,400</u>
b	Fuel	15,728,300	21,858,300
c	Packing Material	2,530,000	3,082,200
	Total (a+b+c) :	<u>130,047,100</u>	<u>219,066,900</u>
d	Finished goods (Valued at cost or NRV whichever is less)		
	Internally Manufactured	67,860,100	22,723,900
	Finished Goods	63,160,100	17,498,900
	Stock In Process	4,700,000	5,225,000
		<u>67,860,100</u>	<u>22,723,900</u>
	Total (d) :	<u>67,860,100</u>	<u>22,723,900</u>
e	Consumable Stores (Valued at cost or NRV whichever is lower)	68,575,200	72,323,200
	Total (e) :	<u>68,575,200</u>	<u>72,323,200</u>
	Total (a+b+c+d+e) :	<u>266,482,400</u>	<u>314,114,000</u>

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

8 TRADE RECEIVABLES

a Unsecured Debts

Considered Good	238,990,547	278,583,436
Considered Doubtful	-	-

b Less: Allowance for bad and doubtful debts

Total (a + b - c) :	<u>238,990,547</u>	<u>278,583,436</u>
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Note: (A) Trade Receivables have been hypothecated with banks against cash credit facility.

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

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NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
9	<u>CASH AND CASH EQUIVALENTS</u>		
a	Cash in hand	390,396	363,627
b	Balances with Banks In current Account with		
	State Bank of India, Saoner	356,965	34,188
	Oriental Bank of Commerce, Nagpur	-	38,755
	Bank of India, Nagpur	-	61,137
	Axis Bank Ltd; Nagpur - Collection Inflow	86,983	56,168
	Total :	443,948	190,248
	Total :	<u>834,345</u>	<u>553,875</u>
10	<u>Bank Balances other than Cash & Cash Equivalents</u>		
a	Other Bank Balances (Against Margin Money for Letter of Credit)	7,382,186	15,172,518
b	Accrued Interest on FDR	248,618	409,427
	Total	<u>7,630,804</u>	<u>15,581,945</u>
11	<u>Other financial assets</u>		
a	Advances Recoverable in Cash	1,323,559	6,635,506
b	Deposits and Balances with Government and Other Authorities	10,606,921	16,048,546
	Total	<u>11,930,480</u>	<u>22,684,052</u>
12	<u>Other Current Assets</u>		
	Unsecured, considered good		
a	Advances recoverable (against goods)	9,507,942	51,108,822
	Total :	<u>9,507,942</u>	<u>51,108,822</u>

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NOTE	PARTICULARS	AS ON 31ST MAR' 2019		AS ON 31ST MAR' 2018	
		AMOUNT		AMOUNT	
13	<u>SHARE CAPITAL</u>				
		Number		Number	
a	Authorised				
	Equity Shares of `Rs.10 each	20,000,000	200,000,000	20,000,000	200,000,000
b	Issued				
	Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500
c	Subscribed & fully Paid up				
	Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500
	Total :	17,059,250	170,592,500	17,059,250	170,592,500

d Reconciliation of Number of Shares Outstanding :

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

e Rights, preference & restriction attached to Equity Shares

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

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

Name of Shareholder	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Frontline Commercial Pvt Ltd	1,514,102	8.88%	1,504,352	8.82%
Wistaria Farms Pvt Ltd	1,033,500	6.06%	1,033,500	6.06%
Kaveri Malu	1,042,487	6.11%	1,042,487	6.11%

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NOTE 14 : Other Equity						
Particular	Reserves and Surplus					Total
	General Reserve	Security Premium	Capital Grant (Deffered Sales tax Incentive Packages - As per Ind AS 20)	Retained Earning	OCI	
As at 1st April 2016	211,880,327	147,952,928	71,234,845	(382,232,133)	-	48,835,967
Net Profit/Loss for the period				28,899,229		28,899,229
Government Grant Deferred for the year Recognised in Statement of Profit and Loss Account			2,724,590 (10,017,153)			2,724,590 (10,017,153)
As at 31st March 2017	211,880,327	147,952,928	63,942,282	(353,332,904)	-	70,442,633
Net Profit/Loss for the period Recognised in Statement of Profit and Loss Account			(10,097,939)	14,597,280		14,597,280 (10,097,939)
As at 31st March 2018	211,880,327	147,952,928	53,844,343	(338,735,624)	-	74,941,974
Net Profit/Loss for the period Recognised in Statement of Profit and Loss Account			(9,621,377)	74,243,520		74,243,520 (9,621,377)
As at 31st March 2019	211,880,327	147,952,928	44,222,966	(264,492,104)	-	139,564,116
Nature and description of reserve						
<p>(i) General Reserve - General reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.</p> <p>(ii) Retained Earnings - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.</p> <p>(iii) Security Premium: It is created from amount collected on issue of shares in excess of the face value of such shares.</p> <p>(iv) Capital Grant: It is the value of deferred government grant to be recognised in Profit and Loss account over the period in which the entity recognises the related interest on the value of deferred sales tax liability which the grant is intended to compensate.</p>						

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NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
15	LONG-TERM BORROWINGS		
a	SECURED LOANS		
	(Consortium)		
i	Bank of India, Mumbai	9,800,000	64,279,375
ii	Jammu & Kashmir Bank, Mumbai	-	29,099,646
iii	State Bank of India, Nagpur	12,800,000	30,730,904
iv	Bank of Baroda, Mumbai	-	18,571,578
v	Axis Bank, Nagpur	17,500,000	29,626,800
	Total (a)	40,100,000	172,308,303
b	Other		
vi	State Bank of India	73,268	529,360
	Total (b)	73,268	529,360
	Total (a+b) :	40,173,268	172,837,663

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

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

REPAYMENT SCHEDULE OF TERM LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 19-20	Terms of Payment - 4 Quarterly Instalment in FY 19-20	Rate of Interest in FY 19-20
Bank of India, Mumbai	9,800,000	4,900,000	1,225,000	11.50%
State Bank of India, Nagpur	12,800,000	7,200,000	1,800,000	11.50%
Axis Bank, Nagpur	17,500,000	8,400,000	2,100,000	11.50%
Total (i) :	40,100,000	20,500,000	5,125,000	

REPAYMENT SCHEDULE OF VEHICLE LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 19-20	Terms of Payment - Monthly Instalment	Rate of Interest
State Bank of India	73,268	218,844	18,237	9.75%
Total (ii) :	73,268	218,844	18,237	
Total (I + ii) :	40,173,268	20,718,844	5,143,237	

b Deferred Sales Tax (Unsecured Loan)	85,505,050	93,582,033
Total :	85,505,050	93,582,033

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

REPAYMENT SCHEDULE	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 19-20	Terms of Payment-	Rate of interest
Deferred Sales Tax	85,505,050	8,076,984	1st May Annually	Based on the schedule of Early Repayment option provided by the Government.

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

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
16	<u>Long Term Provisions</u>		
	Post Employment Employee Benefits		
	Provision for Defined Benefit Obligation- Gratuity	8,739,003	6,899,606
	Total :	<u>8,739,003</u>	<u>6,899,606</u>
17	<u>SHORT TERM BORROWINGS</u>		
	<u>Secured</u>		
a	Loans repayable on demand		
	Working Capital Limit from		
i	Axis Bank Ltd; Nagpur	61,854,695	61,346,285
ii	State Bank of India, Nagpur	56,382,799	61,460,872
iii	Bank of India, Mumbai	61,114,084	61,494,420
iv	Jammu & Kashmir Bank, Mumbai	30,681,391	30,743,028
v	Bank of Baroda, Mumbai	30,598,293	30,690,746
	Sub Total (a) :	<u>240,631,261</u>	<u>245,735,350</u>
	(Loans of Sr. No a (i) to (v) of Note 16 are secured by :		
	1. Primary : First pari passu charge on the entire Current Assets of the Company both present & future.		
	2. Collateral : Second pari passu charge on entire Fixed assets of the company and second pari passu charge by way of equitable mortgage of Land and Plant & Machinery of Solar Carbon Pvt Ltd.		
	3. Guarantee : Personal guarantee of Directors Shri Punamchand Malu & Shri Banwarilal Malu and corporate guarantee of Solar Carbons Pvt Ltd.)		
	4. Pledge of Promoters Shareholding to the extent of 51% of the paid up capital of the Company.		
b	<u>UNSECURED LOANS</u>		
	(a) Loans and advances from related parties	68,700,000	38,950,000
	(b) Loans and advances from Inter Corporate	424,700,000	371,775,000
	(c) Others	-	-
	Sub Total (b) :	<u>493,400,000</u>	<u>410,725,000</u>
	Total (a + b) :	<u>734,031,261</u>	<u>656,460,350</u>
18	<u>TRADE PAYABLE</u>		
a	Creditors for goods and services	191,267,425	323,844,428
	Total :	<u>191,267,425</u>	<u>323,844,428</u>
b	The information required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 is not available with the Company.		
19	<u>OTHER FINANCIAL LIABILITIES</u>		
a	Current Maturities:		
	Long Term Debt	20,718,844	80,641,264
b	Deffered Sales Tax (As per Note 15 above)	8,076,984	5,086,614
c	Duties & Taxes	5,177,286	3,133,967
d	Other Payables	1,059,000	1,135,000
	Total :	<u>35,032,113</u>	<u>89,996,845</u>

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
20	REVENUE FROM OPERATION		
A	Sale of products; Manufacturing Goods		
1	Kraft Paper & Newsprint Paper		
	Domestic	1,230,987,780	1,485,954,304
	Export	74,447,428	12,040,589
	Sales Tax/GST	<u>(122,012,017)</u>	<u>(141,268,607)</u>
		1,183,423,191	1,356,726,286
2	Newsprint & Writing Printing Paper		
	Domestic	1,519,262,519	1,352,896,101
	Export	114,333,141	167,117,167
	Sales Tax/GST	<u>(74,959,194)</u>	<u>(64,085,005)</u>
		1,558,636,465	1,455,928,263
	Sub-Total :	2,742,059,657	2,812,654,548
B	Other Operating Income		
1	Duty Draw Back - Export	2,397,310	1,553,926
2	Carbon Credit Sale	-	6,459,091
	Sub-Total :	2,397,310	8,013,017
	TOTAL	2,744,456,967	2,820,667,565
Note: All the sales are made to external parties only.			
21	OTHER INCOME		
	Interest on FDR	1,119,564	1,404,909
	Interest on Security Deposit	88,114	60,521
	Gain on Sale of Fixed Assets	76,899	-
	Deffered Sales tax Incentive Packages (As per Ind AS 20)	9,621,377	10,097,939
	Total :	10,905,954	11,563,369
22	COST OF MATERIALS CONSUMED		
	Details of Raw Material Consumed		
	Raw Material at the beginning of the year	194,126,400	107,980,000
	Add: Purchases	<u>1,545,384,769</u>	<u>1,915,678,883</u>
	Total :	1,739,511,169	2,023,658,883
	Less: Raw Material at the end of the year	111,788,800	194,126,400
	Cost of Raw Material consumed	1,627,722,369	1,829,532,483
	Item wise details of Raw Material Consumed		
	Waste Paper - Indian - Kraft	465,629,137	760,611,359
	Waste Paper - Imported - Kraft	181,443,363	97,538,234
	Chemical - Kraft	81,358,418	83,649,369
	Waste Paper - Indian - Newsprint	750,916,302	732,045,315
	Waste Paper - Imported - Newsprint	29,545,192	63,520,390
	Chemical - Newsprint	118,829,957	92,167,816
	Total	1,627,722,369	1,829,532,483
	Details of Consumable Stores Consumed		
	Consumable Stores at the beginning of the year	72,323,200	67,100,850
	Add: Purchases	<u>66,299,640</u>	<u>55,347,096</u>
	Total :	138,622,840	122,447,946
	Less: Consumable Stores at the end of the year	68,575,200	72,323,200
	Cost of Consumable Stores consumed	70,047,640	50,124,746
	Total :	1,697,770,010	1,879,657,229

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
23	Excise duty on sale of goods		
	Excise duty on sale of goods	-	29,273,764
24	Details of changes in Inventory Inventory at the end of the year		
	Particulars		
	Stock in Process	4,700,000	5,225,000
	Finished Goods	63,160,100	17,498,900
	Total :	<u>67,860,100</u>	<u>22,723,900</u>
	Inventory at the beginning of the year		
	Particulars		
	Stock in Process	5,225,000	4,700,000
	Finished Goods	17,498,900	27,433,900
	Increase/Decrease in Inventory		
	Particulars		
	Stock in Process	525,000	(525,000)
	Finished Goods	(45,661,200)	9,935,000
	Total :	<u>(45,136,200)</u>	<u>9,410,000</u>
25	EMPLOYEE BENEFITS		
	Salary & Allowances	78,307,093	71,758,882
	Providend Fund	3,945,802	3,898,037
	ESIC	2,072,983	1,636,850
	Staff Welfare Expenses	1,971,730	1,223,033
	Expenses on Defined Benefit Obligation:		
	Current Service Cost	1,335,245	1,185,292
	Finance Cost on Gratuity Fund	<u>540,239</u>	<u>414,941</u>
	Total :	<u>88,173,092</u>	<u>80,117,035</u>
26	OTHER EXPENSES		
	Power & Fuel	449,360,308	387,141,818
	Packing Material	27,899,302	35,023,983
	Freight Inward	110,593,627	74,878,811
	Contractor Payment	27,192,921	21,679,641
	Clearing & Forwarding	1,358,889	1,227,364
	Custom Duty	4,621,570	2,485,383
	Water Charges	2,975,588	2,005,518
	Repairs & Maintenance		
	Building	2,641,086	3,015,820
	Plant & Machinery	39,194,518	32,202,743
	Advertisement	106,995	51,525
	Annual Listing Fees	630,000	540,000
	Audit Fees	354,000	354,000
	Consultancy Charges	3,161,189	5,353,894
	Conveyance Charges & Vehicle Maintenance	1,372,333	650,342
	Computer Maintenance	309,179	98,046
	Donation	131,000	101,200
	EPCG Licence Renewal Fees	-	-
	Insurance Charges	888,373	865,078
	Internal Audit Fees	250,000	350,000
	Workman Compensation	-	300,000
	Labour Welfare Fund	32,232	12,431
	Office & Misc. Expenses	611,071	523,321
	Professional Tax	8,500	4,425
	Periodicals & Subscription	66,620	168,240
	Postage	368,967	323,452
	Printing & Stationery	354,122	590,475
	Rent, Rates & Taxes	2,895,055	1,416,771
	Income Tax of Prior Year	-	908,580
	ROC Fees Expenses	56,600	12,000

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
	Security Expenses	2,312,894	2,241,875
	Selling & Distribution Expenses	32,267,196	34,903,154
	Carriage Outward	54,416,257	33,369,070
	Sitting Fess Expenses	104,000	34,000
	Excise Duty/Service Tax as per Audit Para	544,014	-
	Interest and Late Fees	-	6,000
	Telephone Expenses	543,048	617,603
	Travelling Expenses	1,234,892	652,833
	Total :	768,856,344	644,109,398
27	FINANCE COSTS		
	Bank Charges	3,854,638	6,022,700
	Interest to Bank	44,069,679	71,762,667
	Interest on Unsecured Loan	39,586,903	32,166,550
	Interest on Defered Sales Tax Liability	9,621,377	10,097,939
	Total :	97,132,597	120,049,855
28	DISCLOSURE OF RELATED PARTY TRANSACTIONS :		
	List of related parties with whom transactions have taken place during the year		
a	Associate Concerns		
	Malu Electrodes Pvt. Ltd.		
	Narayan Traders		
	Frontline Commercials Pvt Ltd		
	Narayan Coal Traders Pvt Ltd		
	Neelkamal Financial Services Pvt Ltd		
	Solar Carbons Pvt Ltd		
	Wistaria Farms Pvt Ltd		
	Malu Infrastructure Pvt Ltd		
b	Key Management Persons		
	Poonamchand Malu		
	Banwarilal Malu		
c	Transactions with Related Party		
	Associate Company		
	Malu Electrodes Pvt. Ltd.		
	Purchases during the year	317,282	153,002
	Finance Taken	32,940,000	29,700,000
	Interest on Loan	22,060,000	17,000,000
	Narayan Traders		
	Purchases during the year	-	87,539
	Frontline Commercials Pvt Ltd		
	Finance Taken	-	25,000
	Finance Paid	50,000	-
	Interest on Loan	1,500,000	750,000
	Narayan Coal Traders Pvt Ltd		
	Finance Paid	5,000	70,000
	Interest on Loan	450,000	300,000
	Neelkamal Financial Services Pvt Ltd		
	Finance Paid	25,000	36,000
	Interest on Loan	2,250,000	2,040,000
	Solar Carbons Pvt Ltd		
	Finance Paid	10,000	25,000
	Interest on Loan	1,900,000	1,250,000
	Wistaria Farms Pvt Ltd		
	Finance Taken	-	3,700
	Finance Paid	44,000	-
	Interest on Loan	160,000	107,000
	Malu Infrastructure Pvt Ltd		
	Finance Taken	-	-
	Finance Paid	8,710,000	562,500
	Interest on Loan	1,135,000	875,000
	Relatives of Key Management Persons	Directors Remuneration	Directors Remuneration
	Poonamchand Malu	2,000,000	1,200,000
	Banwarilal Malu	2,000,000	1,200,000
		Interest on Loan	Interest on Loan
	Banwarilal Malu (HUF)	162,000	107,000
	Banwarilal Malu	1,960,000	425,000
	Kaveri Malu	775,000	675,000
	Manisha Malu	300,000	200,000

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
	Shashi Malu	1,175,000	725,000
	Vasudeo Malu	700,000	435,000
	Amount Payable as on reporting Date		
	Banwarilal Malu (HUF)	1,900,000	1,800,000
	Banwarilal Malu	28,100,000	11,900,000
	Frontline Commercials Pvt Ltd	13,800,000	12,500,000
	Kaveri Malu	10,500,000	8,100,000
	Malu Electrodes Pvt. Ltd.	360,000,000	305,000,000
	Manisha Malu	3,600,000	3,350,000
	Narayan Coal Traders Pvt Ltd	5,400,000	5,000,000
	Neelkamal Financial Services Pvt Ltd	20,800,000	18,800,000
	Shashi Malu	14,000,000	13,000,000
	Solar Carbons Pvt Ltd	22,800,000	21,100,000
	Vasudeo Malu	10,600,000	800,000
	Wistaria Farms Pvt Ltd	1,900,000	1,800,000
	Malu Infrastructure Pvt Ltd	-	7,575,000
29	PAYMENT TO AUDITORS IN OTHER EXPENSES (NOTE 25) CONSISTS OF:		
	Statutory Audit Fees	300,000	300,000
	GST/Service Tax on above	54,000	54,000
	Total	354,000	354,000
30	SEGMENT INFORMATION :		
	The Company operates in only one main segment i.e. manufacturing of paper. Since the company has only one reportable business segment and geographical segment, no further disclosure is required as per the Indian Accounting Standard 108-Operating Segment.		
31	EARNING PER SHARE (EPS)		
	EPS is calculated by dividing the earning available for equity shareholders or loss attributable to equity shareholders by the weighted average number of equity shares outstanding the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below :		
	Profit (Loss) after tax	74,243,520	14,597,280
	Weighted Number of Shares - Basic	17,059,250	17,059,250
	EPS	4.35	0.86
	Basic/Diluted Earning Per Share	4.35	0.86
	Face value per share	10	10
32	ADDITIONAL INFORMATION		
a	Value of imports calculated on C.I.F basis by the company during the financial year in respect of -		
I	i. Raw materials;	249,159,831	156,286,224
	ii. Components & Spare Parts	10,274,988	10,918,585
	iii. Capital Goods	32,461,514	11,091,501
	iv. Purchase of Trading Goods:-	-	-
b (i)	Total value of all imported raw materials, spare parts and components consumed during the financial year.	213669331 (13%)	171977210 (09%)
b (ii)	Total value of all indigenous raw materials, spare parts and components similarly consumed	1484575051 (87%)	1707680020 (91%)
b (iii)	Total consumption	1698244382 (100%)	1879657229 (100%)
c	Earnings in foreign exchange classified under the following		
	I. Export of goods calculated on F.O.B. basis;	188,780,569	185,525,078
33	CONTINGENT LIABILITIES :		
	Bank Guarantee Outstanding	27,373,004	26,338,607
	Letter of Credit	34,779,756	63,430,519
	Bonds Executed in Favour of Government Authorities in respect of EPCG Licence towards duty saved against which Export obligation has to be made.	61,401,000	61,401,000
34	Key Assumptions in Calculating Provision for Defined Benefit Obligation:		
	Discount Rates (%)	7.83%	7.83%
	Effective Rate of Salary Escalation (%)	5%	5%
	Retirement Age (Years)	58	58
	Days Of Salary for Gratuity:	15	15

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
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35 Financial Instrument-Accounting Classifications and fair value Measurements

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

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

1 Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2 Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

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

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

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

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

Particulars	Fair Value	
	31/03/2019	31/03/2018
Financial Assets		
Financial Assets (Level 1)		
Financial Assets at amorticed cost :- (Level 2)		
Bank Deposits	13,348,733	20,975,913
Trade Receivables	238,990,547	278,583,436
Cash and Bank Balances	834,345	553,875
TOTAL	253,173,625	300,113,224
Financial Assets at Fair Value through Other Comprehensive Income :- (Level 3)		
Investment in Equity shares of Ganga Care Hospital Ltd	1,100,000	1,100,000
TOTAL	1,100,000	1,100,000
Financial Liabilities		
Financial Liabilities (Level 1)	-	-
Financial Liabilities at amorticed cost :- (Level 2)		
Term Loans	125,678,318	266,419,696
Unsecured Loans	85,505,050	93,582,033
Long term borrowings	240,631,261	245,735,350
Trade Payable	191,267,425	323,844,428
Other Financial Liabilities	35,032,113	89,996,845
TOTAL	678,114,166	1,019,578,352
Financial Liabilities at amorticed cost :- (Level 3)		
Short Term Borrowings	493,400,000	410,725,000
TOTAL	493,400,000	410,725,000

36 Financial Risk Management Objectives and Policies :-

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

a) **Market Risk :-**

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

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

b) **Interest Rate Risk :-**

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

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

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2019 AMOUNT	AS ON 31ST MAR' 2018 AMOUNT
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c) Foreign currency risk :-

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

d) Credit Risk :-

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

Particulars	31/03/2019	31/03/2018
Balance at the beginning of the year	-	-
Additional Provided	-	-
Reversed	-	504,156
Written Off	-	893,220
Balance at the end of the year	-	-

e) Liquidity Risk:-

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

(a) Amounts recognised in profit and loss	(Amounts in Rs.) For the year ended March 31, 2019	(Amounts in Rs.) For the year ended March 31, 2018
A. Current income tax	-	-
B. Opening Balance Deferred income tax liability / (asset), net	(83,966,662)	(90,948,479)
C. Origination and reversal of temporary differences	86,024,795	22,594,876
D. Deferred tax expense	26,581,662	6,981,817
E. Closing Balance Deferred income tax liability/(asset), net (B+D)	(57,385,001)	(83,966,662)
F. Tax expense/(income) for the year (A+D)	26,581,662	6,981,817

(b) Reconciliation of effective tax rate	For the year ended 31/03/2019	For the year ended 31/03/2018
Particular		
Profit before tax	100,789,095	21,579,096
Tax using the Company's domestic tax rate @ 30.9%	31,143,830	6,667,941
Tax effect of:		
Tax on Expenses not deductible for tax purposes	(4,562,169)	313,876
F. Tax expense/(income) for the year (A+D)	26,581,662	6,981,817

37 OTHERS :

- a Balances in various personal accounts remain unverified since confirmations from the parties are awaited.
- b The current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
- c Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

For Malu Paper Mills Limited.

Punamchand Malu Banwarilal Malu Girish Malpani Mayuri Asawa
(Managing Director) (Jt. Managing Director) (CFO) (Company Secretary)
(Din 00301030) (Din 00301297)
Place : Nagpur
Date : 20/05/2019

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



MALU PAPER MILLS LIMITED

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

PROXY FORM

ANNUAL GENERAL MEETING 2018-19

Folio No. _____ DPID: _____ Client ID: _____

I/ We _____ of _____ in the District of _____ being a member / members of the above named company, hereby appoint Mr./Mrs/Kum _____ as my /our proxy to attend and vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at **Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 440 008** on Friday, the 27th day of September, 2019 at 3.00 PM and at any adjournment thereof.

Date: _____

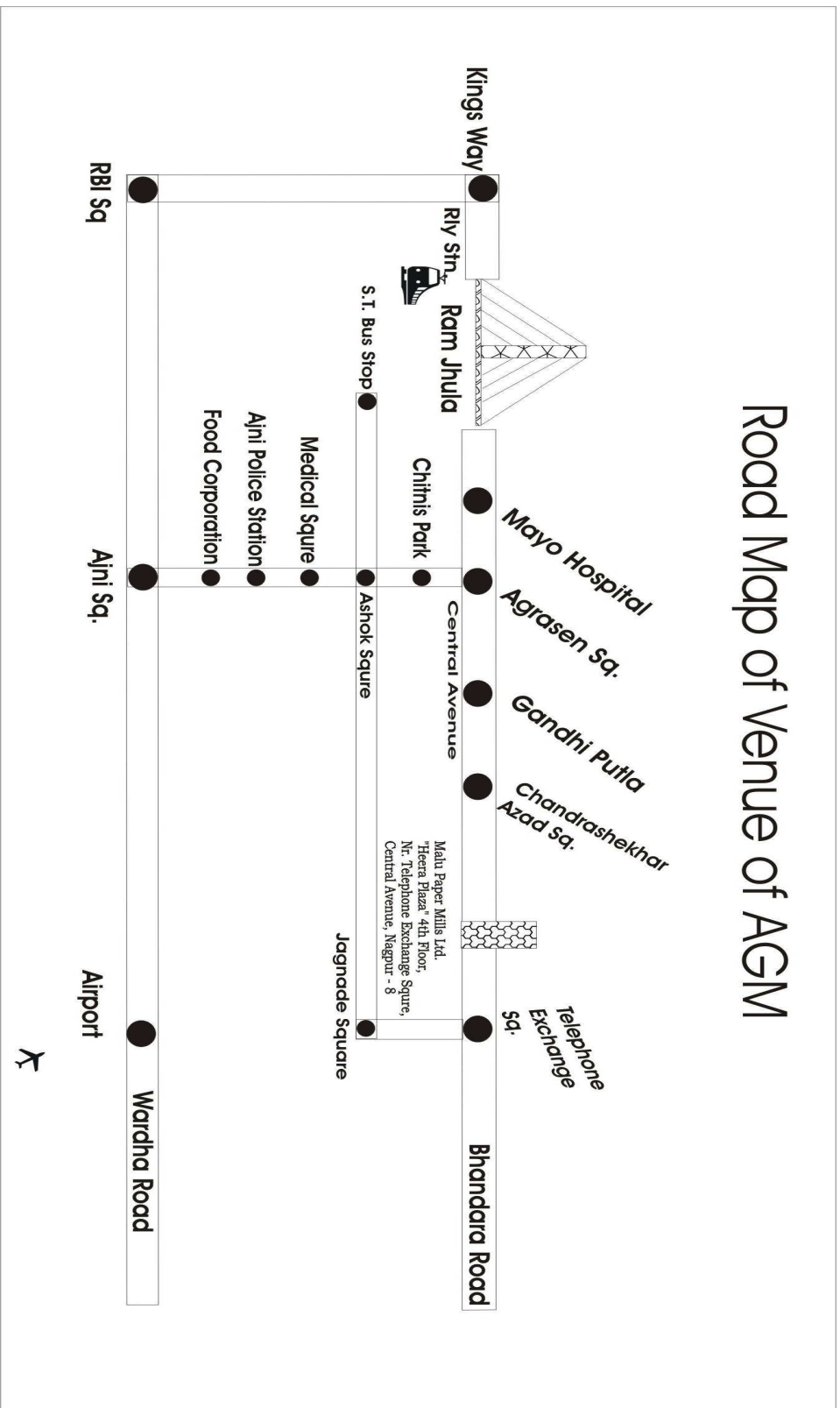
Address: _____

Affix Re.1
Revenue
Stamp

Signature: _____

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

Road Map of Venue of AGM





CIN:L15142MH1994PLC076009

Heera Plaza, 4th floor, Near Telephone Exchange, Nagpur –400008
Tel: 91-712-2760308 Fax:91-7122760310

E-mail: info@malupaper.com

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

Registered Folio No./DP ID No. / Client ID No.	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2	
Number of Shares held:	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company at 'Heera Plaza, 4th Floor, Near Telephone Exchange Square, Central Avenue, Nagpur on Friday, 27th September 2019 at 3.00 P.M

Name of the member / proxy

Signature of member / proxy

Note:

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of the Annual Report to the AGM.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

EVEN (Electronic Voting Event Number)	*Default PAN

*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan field.

Note: Please read the instructions printed in the Notice of 26th Annual General Meeting dated 27th September, 2019. The Voting period starts from Tuesday, 24th September, 2019 at 9.00 am and ends on Thursday, 26th September, 2019 at 5.00 pm. The voting module shall be disabled by NSDL for voting thereafter.