



**MALU PAPER  
MILLS LTD.**

"HEERA PLAZA" 4th Floor,  
Near Telephone Exchange,  
Central Avenue, Nagpur - 08.  
Ph.No. : 2760308, 2778506 (F) 2760310  
Web : malupaper.com  
email : info@malupaper.com  
CIN No. : L15142MH1994PLC076009

Date: 05-10-2016

To  
The Manager  
Department of Corporate Services  
The Bombay Stock Exchange Ltd.  
Floor 25, PJ Towers,  
Dalal Street,  
Mumbai - 1.

To  
The Manager  
Department of Corporate Services  
The National Stock Exchange of India  
"Exchange Plaza"  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051.

Script Code: malupaper

Script Code: 532728

Sub : Annual Report for the financial year 2015-16  
Ref : Malu Paper Mills Limited  
Script Code: malupaper

Dear Sir

Please find enclosed herewith six copies of Annual Report of the company for the financial year 2015-2016 along with Report of Directors and Auditors thereon, Corporate Governance Report.

Kindly acknowledge the receipt of the same and oblige.

Thanking You

For Malu Paper Mills Limited

Ravi K  
Asst. Company Secretary





**MALU PAPER**  
**MILLS LTD.**

# **ANNUAL REPORT**

## **FOR THE YEAR**

### **2015-16**

**Heera Plaza, 4<sup>th</sup> Floor,  
Near Telephone Exchange,  
Central Avenue,  
Nagpur – 440 008**

**Phones : 0712-2760308, 2778506, 2733100**

**Fax : 0712- 2760310**

**Email : [info@malupaper.com](mailto:info@malupaper.com)**

# MALU PAPER MILLS LIMITED

**Founder**

Late Shri Bhanwarlal Malu  
(1924 - 2007)

**Non Executive Chairman**

Shri Damodar Lal Malu

**Managing Director**

Shri Punamchand Malu

**Joint Managing Director**

Shri Banwarilal Malu

**Non Executive Directors**

Shri Vasudeo Malu

**Independent Directors**

Shri Chandrakant Thakar  
Shri Satyanarayan Rathi

Shri Shyamsunder Sarda  
Smt. Shrutika Inani

**Bankers**

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

**Statutory Auditors**

M/s. Demble Ramani & Co.

**Internal Auditors**

M/s. Samria & Co.

**CFO & Compliance Officer**

Shri Girish Malpani

**Registered and Corporate Office**

Heera Plaza, 4<sup>th</sup> Floor, Near Telephone  
Exchange, Central Avenue, Nagpur  
440008

**Plants****Kraft Division**

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

**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, 4<sup>th</sup> floor, Near Telephone Exchange, Nagpur -400008  
CIN:L15142MH1994PLC076009

**NOTICE**

Notice is hereby given to the members of Malu Paper Mills Limited that the 23<sup>rd</sup> Annual General Meeting of the members will be held on Saturday, the 24<sup>th</sup> day of September, 2016 at **the registered office of the Company at 'Heera Plaza, 4<sup>th</sup> 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 Balance Sheet as at 31<sup>st</sup> March 2016 and the Profit and Loss Account for the year ended on that date along with the reports of Director and Auditors thereon.
2. To appoint a Director in place of Shri Damodarlal Malu (DIN: 00301120), who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri Vasudeo Malu (DIN: 00301313), who retire by rotation and being eligible, offer himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

***Registered Office:***

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date: 13<sup>th</sup> August, 2016

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

**Sd/-**

**Punamchand Malu**  
*Managing Director*  
(DIN:00301030)

**NOTES:**

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

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE 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 19<sup>th</sup> September 2016 to 24<sup>th</sup> September 2016 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](http://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 [info@malupaper.com](mailto:info@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 20<sup>th</sup> September, 2016 (9:00 am) and ends on 23<sup>rd</sup> September, 2016 (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 17<sup>th</sup> September, 2016, 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:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
      - (i) Open email and open PDF file viz; "MPML remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL :  
<https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended

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

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Malu Paper Mills Ltd”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizers@malupaper.com](mailto:scrutinizers@malupaper.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>
<b><u>PASSWORD/PIN</u></b>	

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [santosh.jaiswal@linkintime.co.in](mailto:santosh.jaiswal@linkintime.co.in).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using

“Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. 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).
- XII. 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.
- XIII. 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.
- XIV. 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.
- XV. 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.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.malupaperc.om](http://www.malupaperc.om) 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.

**Registered Office:**

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date: 13<sup>th</sup> August, 2016

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

**Sd/-**

**Punamchand Malu**  
Managing Director  
(DIN:00301030)



## **MALU PAPER MILLS LIMITED**

### **REPORT OF BOARD OF DIRECTORS.**

The Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report for the year ended 31st March 2016 along with the Audited Statement of Accounts with the Report of the Auditors thereon:

#### **FINANCIAL RESULTS:**

	<b>2015-2016</b>	<b>(Rs. In Lacs) 2014-2015</b>
Sales & Other Incomes	23001.31	23109.22
Profit Before Interest & Depreciation	2317.26	2292.23
Less: Financial Charges	1563.01	1557.52
Profit Before Depreciation	754.25	734.71
Less: Depreciation	470.53	461.40
Less: Provisional For Tax	88.40	86.03
Profit/(Loss) After Tax	195.32	187.28

#### **REVIEW OF OPERATIONS**

During the year under review the performance of the company is quite satisfactory. The has achieved the Net Sales of Rs.22775.78 Lacs and booked the net profit revenue of Rs.195 Lacs.

#### **MANAGEMENT REVIEW: 2015-16**

#### **INDIAN PAPER INDUSTRY SCENARIO**

The Indian paper & paper board industry is estimated to have grown at a CAGR of 7% during last 5 years to approx Rs 147 lakh tons. The segment wise break up and usage of paper & paper products in India is Writing & Printing Paper 31%, Packaging and Paperboard around 49%, Newsprint 18% and Speciality and other paper only 2%.

The Indian paper industry continues to remain fragmented in nature. The average price utilization across all the sectors continued to improve in the last five years. The industry is expecting demand revival for writing and printing paper and paperboard segment in the coming years due to continued focus of the government on education, increased penetration of organised retail in rural sectors, urbanisation and higher growth in the processed food industries, FMCG, Pharmaceutical industry and other related industries.

Newsprint demand is expected to grow at a healthy pace over the next couple of years, driven by demand for vernacular newspapers, increasing literacy in the rural areas and with the increasing government spending on infrastructure the tender advertisement is set to increase in the print media leading to rise in the number of pages per newspaper. The per capita consumption of paper in India is a mere 12 kg in comparison to world average of 57 kg. The growth of paper industry is directly correlated to the growth in the economy, with the Indian economy expected to grow at a healthy pace, the paper industry will perform better in the coming years.

#### **FUTURE OUTLOOK**

The passing of GST amendment legislation in the parliament and its implementation in the next financial year is anticipated to have a positive effect on the GDP of the nation; GST is also poised to remove the trade barriers caused by individual state taxation. The growth prospects of paper & paper board industry are closely aligned with that of the economy in

general and the growth in paper industry has historically followed the national GDP growth rate. The company is located centrally and equidistant from major markets. Therefore, the implementation of the GST act may open new frontiers and possibilities for the company.

In keeping with the industry growth trends and share of segments in the paper and paper products industry, the company has focused on increasing the production of packaging and paper board segment. The company has been adopting its product portfolio to compete in emerging market conditions. The packaging paper is the largest segment of the Indian paper and paper products industry and is likely to grow at a CAGR of about 9%, the highest among all the segments. The company is focusing on the production capacity of its Kraft division by smoothening the production process with minimum capex and correspondingly shown the revenue growth in this segment during the past financial year.

The increased focus on education by the government and increase in the general level of literacy and continued demand from print media will further add to the growth prospects of the Newsprint Division. . The Newsprint segment of industry is expected to grow at a CAGR of 5% in the coming years. The company continues to focus on the long term and it continues its drive for sustainable growth.

In the past years industry witnessed overall declining trend in capacity utilization. Many small manufacturing units who were unable to compete have either completely or partially stopped running their capacities. There has been very few new capacity addition in the Newsprint and writing and printing paper segments, only packaging paper and board segment has seen some new capacity addition. But the new capacity addition has also been set off by closure of small manufacturing units. The capacity utilization of the industry is expected to rise in next couple of years with lower capacity addition and increase in demand. The company has withstood the turbulent years and we hope to consolidate our position in the coming years.

#### **INTERNAL CONTROL SYSTEM:**

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

#### **THREATS, RISKS AND CONCERNS:**

- Availability of raw materials.
- Cyclical nature of the paper industry.
- The import duty structure of Newsprint.
- The increased focus of the Government on environment protection.

#### **OPPORTUNITIES & STRENGTHS:**

- Increasing trend in use of environment friendly packaging of all type of goods.
- Increasing trend in organized retail and e-commerce sales casting positive impact on the packaging industry.
- Increasing awareness and education in the rural economy, higher literacy at national level will lead to higher circulation of newspapers.
- The environment protection measures taken by Govt. and promotion of bio degradable packaging is leading to newer avenues for paper packaging, earlier catered to by other industries.
- Decisive Central Government is working on ease of doing business, spending on education and general infrastructure with special focus on Education and healthcare. The growing Indian economy will create more demand for paper.

- Government initiative to make available cheap and reliable electricity, Lower cost of fuel in the world economy with advent of newer source such as shale gas and emphasis on solar power will support the power intensive paper industry.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

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

#### **PUBLIC DEPOSITS**

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

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

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

#### **DECLARATION BY DIRECTORS**

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

#### **DIRECTORS RESPONSIBILITY STATEMENT 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 2016 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, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4 The annual accounts have been prepared on a going concern basis.
- 5 The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating effectively.

## **LISTING OF SHARES**

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

## **DIRECTORS' REMUNERATION**

### **Remuneration Policy**

#### **1. Remuneration to Managing/Whole- time / Executive /Managing Director, KMP and senior Management Personnel:**

- a. The Remuneration / Commission etc. to be Paid to Managing Director/ Joint Managing Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.

#### **2. Remuneration to Non- Executive / Independent Director:**

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

#### **3. Remuneration to Key Managerial Personnel and Senior Management :**

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

**PARTICULARS OF EMPLOYEES**

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

**RISK MANAGEMENT:**

The Board has constituted Risk Management Committee to frame, implement and monitor risk management plan and ensuring its effectiveness. The Company has taken Insurance Policy to insure its fixed assets and inputs which cover known and unknown risk.

**NUMBER OF BOARD MEETINGS HELD:**

The number of meetings of the Board and details thereof are mentioned in the Report of Corporate Governance forming part of this Annual Report.

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

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

**RELATED PARTY DISCLOSURES:**

The details of related party disclosures and transactions as prescribed in Form AOC-2 are given in Note no.25 to the financial statements. All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis and belong to FY2015-16 period and are approved by in the Board Meeting held on 28/04/2015.

**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. Smt. CA Shrutika Inani, Independent Director was the Chairman of the Audit Committee.

**AUDITORS REPORT**

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

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

**AUDITORS**

M/S Demble Ramani & Co., Chartered Accountants, the Auditors of the company, will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have given information to the effect that their appointment, if made, will be within the limits prescribed under section 141 (3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

**CORPORATE GOVERNANCE**

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

**COST AUDITOR'S**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors had appointed M/s. Khanuja Patra & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of Cost records for the financial year ended on 31<sup>st</sup> March 2016. The audit is in process and report will be filed within prescribed period.

#### **BOARD EVALUATION**

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

#### **VIGIL MECHANISM**

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

#### **SECRETARIAL AUDIT**

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

#### **ABSTRACT OF THE ANNUAL RETURN**

The Abstract of the Annual Return for the year 31<sup>st</sup> March 2016 being attached with the Directors Report as Annexure B.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

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

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

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

#### **ACKNOWLEDGEMENTS:**

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

**Place: Nagpur**  
**Date: 13/08/2016**

**By Order Of Board Of Directors**

**Sd/  
Punamchand Malu  
Managing Director  
(DIN:00301030)**

**Sd/  
Banwarilal Malu  
Jt. Managing Director  
(DIN:00301297)**

**Annexure A to Directors Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(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, 04<sup>TH</sup> 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 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2016, 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;

## Annexure A to Directors Report

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**
- (vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Act, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:-
- (a) The Factories Act, 1948 and Rules made thereunder;
  - (b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
  - (c) Acts and Rules prescribed under prevention and control of pollution;
  - (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
  - (e) Acts and Rules relating to boilers, electricity, fire, etc.;
  - (f) Contract Act, 1872;
  - (g) Transfer of Property Act, 1882;
  - (h) Bombay Stamp Act, 1958;



## **Annexure A to Directors Report**

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

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

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

The Company has not duly complied with the provision with respect to the Appointment of Key Managerial Personnel.

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 : 13<sup>th</sup> August, 2016**

**Place : Nagpur**

**CS YUGANDHARA KOTHALKAR**

PRACTICING COMPANY SECRETARY,

Membership No. – 28673

CP No. – 10337

**Annexure A to Directors Report**

**'ANNEXURE - A'**

**To,**

**MALU PAPER MILLS LIMITED,  
CIN - L15142MH1994PLC076009  
HEERA PLAZA, 04<sup>TH</sup> 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 : 13<sup>th</sup> August, 2016**

**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 31/03/2016**

**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 <a href="mailto:info@malupaper.com">info@malupaper.com</a> <a href="http://www.malupaper.com">www.malupaper.com</a>
vi	Whether listed company	YES
vii	Name and Address of Registrar &	Link Intime India Private Limited
	Transfer Agents ( RTA ):-  Telephone (with STD Code) : Fax Number :	C/13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (w), Mumbai 400 078 (MS) 022-25963838 022-25946969

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

	<b>Name &amp; Description of main products</b>	<b>NIC Code of the products</b>	<b>% to the total turnover</b>
i	Kraft Paper	2800	4 6
ii	Newsprint Writing Printing	2802; 2803	5 4

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

### III. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Share holding

Category of Shareholders		No. of Shares at the beginning of the year 01-04-2015				No. of Shares at the end of the year 31.3.2016				% Change during the year
		Demat Form	Physical	Total	% of total Shares	Demat Form	Physical	Total	% of total Shares	
(A)	<b>PROMOTER &amp; PROMOTER GROUP</b>									
1	<b>INDIAN</b>									
(a)	INDIVIDUAL / HUF	8211192	125	8211317	48.13	8,211,442	-	8211442	48.13	0.00
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	3,361,758	-	3,361,758	19.71	3,465,323	-	3,465,323	20.31	0.61
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(1) :</b>	<b>11,572,950</b>	<b>125</b>	<b>11,573,075</b>	<b>67.84</b>	<b>11,676,765</b>	<b>-</b>	<b>11,676,765</b>	<b>68.45</b>	<b>0.61</b>
2	<b>FOREIGN</b>	-	-	-	-	-	-	-	-	-
(a)	INDIVIDUAL	-	-	-	-	-	-	-	-	-
(b)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(c)	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(d)	ANY OTHER	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL HOLDING FOR PROMOTERS</b>									
	<b>(A)=(A)(1)+(A)(2):</b>	<b>11,572,950</b>	<b>125</b>	<b>11,573,075</b>	<b>67.84</b>	<b>11,676,765</b>	<b>-</b>	<b>11,676,765</b>	<b>68.45</b>	<b>0.61</b>
(B)	<b>PUBLIC SHAREHOLDING</b>									
1	<b>INSTITUTIONS</b>	-	-	-	-	-	-	-	-	-
(a)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-	-
(b)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(c)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(d)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-	-
(e)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-	-
(f)	FII's	-	-	-	-	-	-	-	-	-
(g)	FOREIGN VENTURE CAPITAL	-	-	-	-	-	-	-	-	-
(h)	ANY OTHER	-	-	-	-	-	-	-	-	-
(i)	TRUSTS	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)(1) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	<b>NON-INSTITUTIONS</b>									
(a)	<b>BODIES CORPORATE</b>	792,730	-	792,730	4.65	735,399	-	735,399	4.31	(0.34)
(b)i	INDIVIDUAL (CAPITAL <= Rs. 1 LAKH)	2,349,240	3,437	2,352,677	13.79	2,588,567	3,562	2,592,129	15.19	1.40
ii	INDIVIDUAL (CAPITAL > Rs. 1 LAKH)	2,285,872	-	2,285,872	13.40	1,963,728	-	1,963,728	11.51	(1.89)
(c)	<b>ANY OTHERS</b>	-	-	-	-	-	-	-	-	-
i	CLEARING MEMBER	27,448	-	27,448	0.16	68,947	-	68,947	0.40	0.24
ii	NRIs (REPAT)	23,319	-	23,319	0.14	20,267	-	20,267	0.12	(0.02)
iii	NRIs (NON REPAT)	4,129	-	4,129	0.02	2,015	-	2,015	0.01	(0.01)
	<b>SUB TOTAL (B)(2) :</b>	<b>5,482,738</b>	<b>3,437</b>	<b>5,486,175</b>	<b>32.16</b>	<b>5,378,923</b>	<b>3,562</b>	<b>5,382,485</b>	<b>31.55</b>	<b>(0.61)</b>
	<b>TOTAL HOLDING FOR PUBLIC</b>									
	<b>(B)=(B)(1)+(B)(2):</b>	<b>5,482,738</b>	<b>3,437</b>	<b>5,486,175</b>	<b>32.16</b>	<b>5,378,923</b>	<b>3,562</b>	<b>5,382,485</b>	<b>31.55</b>	<b>(0.61)</b>
(C)	<b>SHARES HELD BY CUSTODIANS</b>									
	<b>SUB TOTAL (C) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C) :</b>	<b>17,055,688</b>	<b>3,562</b>	<b>17,059,250</b>	<b>100.00</b>	<b>17,055,688</b>	<b>3,562</b>	<b>17,059,250</b>	<b>100.00</b>	<b>-</b>

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

Sr.  No.	Category of shareholder	Shareholding at the beginning of the year			Shareholding at the End of the year			% change in Share holding during the year
		Number of shares held	% of the total Shares of the Company	% of Shares Pledged/ encumbered to the total shares	Number of shares held	% of the total Shares of the Company	% of Shares Pledged/ encumbered to the total shares	
							-	-
1	Punamchand Malu	402,208	2.36	2.36	402,208	2.36	2.36	-
2	Banwarilal Malu	372,912	2.19	2.19	372,912	2.19	2.19	-
3	Damodarlal Malu	345,833	2.03	2.03	345,833	2.03	2.03	-
4	Purushottam Malu	302,083	1.77	1.77	302,083	1.77	1.77	-
5	Vasudeo Malu	726,774	4.26	4.26	726,424	4.26	4.26	-
6	Ghasiram Malu	50,000	0.29	0.29	50,000	0.29	0.29	-
7	Frontline Commercial P. Ltd.	1,291,836	7.57	5.64	1,395,401	8.17	5.64	0.60
8	Marigold Farms P.Ltd.	412,500	2.42	2.42	412,500	2.42	2.42	-
9	Wistaria Farms P. Ltd	1,033,500	6.06	6.06	1,033,500	6.06	6.06	-
10	Shrawankumar Malu	288,472	1.69	1.66	288,472	1.69	1.66	-
11	Radheshyma Malu	217,708	1.28	1.28	217,708	1.28	1.28	-
12	Venugopal Malu	217,708	1.28	1.28	217,958	1.28	1.28	-
13	Ganpati Malu	181,250	1.06	0.00	181,250	1.06	-	-
14	Damodarlal Malu (Huf)	158,333	0.93	0.93	158,333	0.93	0.93	-
15	Punamchand Malu (Huf)	158,333	0.93	0.93	158,333	0.93	0.93	-
16	Purushottam Malu (Huf)	158,333	0.93	0.93	158,333	0.93	0.93	-
17	Shrawankumar Malu (Huf)	158,333	0.93	0.93	158,333	0.93	0.93	-
18	Kaveri Malu	1,052,487	6.17	0.00	1,052,487	6.17	-	-
19	Suman Malu	403,750	2.37	2.37	403,750	2.37	2.37	-
20	Kaushalya Malu	170,833	1.00	0.00	170,833	1.00	-	-
21	Anita Malu	170,833	1.00	0.00	170,833	1.00	-	-
22	Pushpa Malu	170,833	1.00	0.00	170,833	1.00	-	-
23	Sushila Malu	170,833	1.00	0.00	170,833	1.00	-	-
24	Sunflame Fuels Pvt. Ltd	527,255	3.09	3.09	527,255	3.09	3.09	-
25	Omprakash Malu	14,500	0.08	0.08	14,500	0.08	0.08	-
26	Manisha Malu	262,500	1.54	1.54	262,500	1.54	1.54	-
27	Kantadevi Malu	26,900	0.16	0.00	26,900	0.16	-	-
28	Bharat Malu	189,583	1.11	0.00	189,583	1.11	-	-
29	Shashi Malu	667,464	3.91	3.91	667,464	3.91	3.91	-
30	Banwarilal Malu (Huf)	129,933	0.76	0.76	129,933	0.76	0.76	-
31	Vasudeo Malu (Huf)	370,117	2.17	2.17	370,117	2.17	2.17	-
32	Gajendra Malu	313,356	1.84	0.00	313,356	1.84	-	-
33	Narayan Malu	309,340	1.81	1.58	309,340	1.81	1.58	-
34	Solar Carbon Pvt. Ltd.	96,667	0.57	0.57	96,667	0.57	0.57	-
35	Shalini V Malu	50,000	0.29	0.00	50,000	0.29	-	-
<b>TOTAL</b>		<b>11,573,300</b>	<b>67.84</b>	<b>51.00</b>	<b>11,676,765</b>	<b>68.44</b>	<b>51.00</b>	<b>0.60</b>

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

Sr. No.	Category of shareholder	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 in Shareholding	Reason	No. of Shares	% of the total Shares of the Company
1	Punamchand Malu	402,208	2.36	01/04/2015		Nil movement		
	At The End Of The Year	402,208	2.36					
2	Banwarilal Malu	372,912	2.19	01/04/2015		Nil movement		
	At The End Of The Year	372,912	2.19					
3	Damodarlal Malu	345,833	2.03	01/04/2015		Nil movement		
	At The End Of The Year	345,833	2.03					
4	Purushottam Malu	302,083	1.77	01/04/2015		Nil movement		
	At The End Of The Year	302,083	1.77					
5	Vasudeo Malu	726,774	4.26	01/04/2015				
	At The End Of The Year	726,424	4.26	03/04/2015	(350) Transfer		726424	4.26
6	Ghasiram Malu	50,000	0.29	01/04/2015		Nil movement		
	At The End Of The Year	50,000	0.29					
7	Frontline Commercial P. Ltd	1,291,836	7.57	01/04/2015			1,291,836	
				24/04/2015	12,230 Transfer		1,304,066	7.64
				01/05/2015	30,336 Transfer		1,334,402	7.82
				08/05/2015	16,087 Transfer		1,350,489	7.91
				15/05/2015	16,108 Transfer		1,366,597	8.01
				22/05/2015	252 Transfer		1,366,849	8.01
				05/06/2015	11,659 Transfer		1,378,508	8.08
				11/09/2015	12,148 Transfer		1,390,656	8.15
				22/01/2016	1,000 Transfer		1,391,656	8.16
				29/01/2016	1,000 Transfer		1,392,656	8.16
				04/03/2016	987 Transfer		1,393,643	8.17
				18/03/2016	1,758 Transfer		1,395,401	8.17
	At The End Of The Year	1,395,401	8.17					
8	Marigold Farms P.Ltd.	412,500	2.42	01/04/2015		Nil movement		
	At The End Of The Year	412,500	2.42					
9	Wistaria Farms P. Ltd	1,033,500	6.06	01/04/2015		Nil movement		
	At The End Of The Year	1,033,500	6.06					
10	Shrawankumar Malu	288,472	1.69	01/04/2015		Nil movement		
	At The End Of The Year	288,472	1.69					
11	Radheshyma Malu	217,708	1.28	01/04/2015		Nil movement		
	At The End Of The Year	217,708	1.28					
12	Venugopal Malu	217,708	1.28	01/04/2015				
	At The End Of The Year	217,958	1.28	10/07/2015	250 Transfer		217,958	1.28
13	Ganpati Malu	181,250	1.06	01/04/2015		Nil movement		
	At The End Of The Year	181,250	1.06					
14	Damodarlal Malu (Huf)	158,333	0.93	01/04/2015		Nil movement		
	At The End Of The Year	158,333	0.93					
15	Punamchand Malu (Huf)	158,333	0.93	01/04/2015		Nil movement		
	At The End Of The Year	158,333	0.93					
16	Purushottam Malu (Huf)	158,333	0.93	01/04/2015		Nil movement		
	At The End Of The Year	158,333	0.93					
17	Shrawankumar Malu (Huf)	158,333	0.93	01/04/2015		Nil movement		
	At The End Of The Year	158,333	0.93					
18	Kaveri Malu	1,052,487	6.17	01/04/2015		Nil movement		
	At The End Of The Year	1,052,487	6.17					

Sr.  No.	Category of shareholder	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/DecreaseShareholding	Reason	No. of Shares	% of the total Shares of the Company
19	Suman Malu	403,750	2.37	01/04/2015		Nil movement		
	At The End Of The Year	403,750	2.37					
20	Kaushalya Malu	170,833	1.00	01/04/2015		Nil movement		
	At The End Of The Year	170,833	1.00					
21	Anita Malu	170,833	1.00	01/04/2015		Nil movement		
	At The End Of The Year	170,833	1.00					
22	Pushpa Malu	170,833	1.00	01/04/2015		Nil movement		
	At The End Of The Year	170,833	1.00					
23	Sushila Malu	170,833	1.00	01/04/2015		Nil movement		
	At The End Of The Year	170,833	1.00					
24	Sunflame Fuels Pvt. Ltd	527,255	3.09	01/04/2015		Nil movement		
	At The End Of The Year	527,255	3.09					
25	Omprakash Malu	14,500	0.08	01/04/2015		Nil movement		
	At The End Of The Year	14,500	0.08					
26	Manisha Malu	262,500	1.54	01/04/2015		Nil movement		
	At The End Of The Year	262,500	1.54					
27	Kantadevi Malu	26,900	0.16	01/04/2015		Nil movement		
	At The End Of The Year	26,900	0.16					
28	Bharat Malu	189,583	1.11	01/04/2015		Nil movement		
	At The End Of The Year	189,583	1.11					
29	Shashi Malu	667,464	3.91	01/04/2015		Nil movement		
	At The End Of The Year	667,464	3.91					
30	Banwarilal Malu (Huf)	129,933	0.76	01/04/2015		Nil movement		
	At The End Of The Year	129,933	0.76					
31	Vasudeo Malu (Huf)	370,117	2.17	01/04/2015		Nil movement		
	At The End Of The Year	370,117	2.17					
32	Gajendra Malu	313,356	1.84	01/04/2015		Nil movement		
	At The End Of The Year	313,356	1.84					
33	Narayan Malu	309,340	1.81	01/04/2015		Nil movement		
	At The End Of The Year	309,340	1.81					
34	Solar Carbon Pvt. Ltd.	96,667	0.57	01/04/2015		Nil movement		
	At The End Of The Year	96,667	0.57					
35	Shalini V Malu	50,000	0.29	01/04/2015		Nil movement		
	At The End Of The Year	50,000	0.29					

iv) **Shareholding pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs as**

Sr.  No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease Sharehold in	Reason	Cumulative Shareholding during the year	
		Number of shares held	% of the total Shares of the Company				No. of Shares	% of the total Shares of the Company
1	Bips Tradecom P. Ltd	424011	2.49	01/04/2015				
	At The End Of The Year	424011	2.49			Nil movement		
2	Ashok Kumar Kishorilal Dam	289964	1.69	01/04/2015				
				30/10/2015	(3457)	Transfer	286507	1.67
				25/03/2016	745	Transfer	287252	1.68
				31/03/2016	55	Transfer	287307	1.68
	At The End Of The Year	287307	1.68					
3	Neha Gajendra Malu	186720	1.09	01/04/2015				
	At The End Of The Year	186720	1.09			Nil movement		
4	Nikita Narayan Malu	99679	0.58	01/04/2015				
	At The End Of The Year	99679	0.58			Nil movement		
5	Sharekhan Ltd	6900	0.5	01/04/2015				
				03/04/2015	400	Transfer	7300	0.04
				10/04/2015	(400)	Transfer	6900	0.04
				05/06/2015	20	Transfer	6920	0.04
				12/06/2015	44	Transfer	6964	0.04
				19/06/2015	1256	Transfer	8220	0.04
				26/06/2015	(1300)	Transfer	6920	0.04
				03/07/2015	89250	Transfer	96170	0.56
				10/07/2015	(100)	Transfer	96070	0.56
				17/07/2015	50	Transfer	96120	0.56
				24/07/2015	5151	Transfer	101271	0.59
				31/07/2015	(2490)	Transfer	98781	0.58
				07/08/2015	(1861)	Transfer	96920	0.56
				14/08/2015	(830)	Transfer	96090	0.56
				21/08/2015	(100)	Transfer	95990	0.56
				28/08/2015	601	Transfer	96591	0.56
				04/09/2015	(88264)	Transfer	8327	0.04
				11/09/2015	(1009)	Transfer	7318	0.04
				25/09/2015	2489	Transfer	9807	0.05
				30/09/2015	(1989)	Transfer	7818	0.04
				09/10/2015	(878)	Transfer	6940	0.04
				16/10/2015	75	Transfer	7015	0.04
				23/10/2015	(75)	Transfer	6940	0.04
				30/10/2015	89010	Transfer	95950	0.56
				06/11/2015	478	Transfer	96428	0.56
				13/11/2015	(378)	Transfer	96050	0.56
				20/11/2015	1138	Transfer	97188	0.57
				27/11/2015	(256)	Transfer	96932	0.57
				04/12/2015	(803)	Transfer	96129	0.57
				11/12/2015	321	Transfer	96450	0.57
				18/12/2015	(88762)	Transfer	7688	0.04



Sr.  No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease Shareholdin	Reason	Cumulative Shareholding during the year	
		Number of shares held	% of the total Shares of the Company				No. of Shares	% of the total Shares of the Company
				25/12/2015	862	Transfer	8550	0.05
				31/12/2015	(1750)	Transfer	6800	0.04
				08/01/2016	350	Transfer	7150	0.04
				15/01/2016	3203	Transfer	10353	0.06
				22/01/2016	952	Transfer	11305	0.06
				29/01/2016	(920)	Transfer	10385	0.06
				05/02/2016	895	Transfer	11280	0.06
				12/02/2016	84065	Transfer	95345	0.59
				19/02/2016	(1912)	Transfer	93433	0.55
				26/02/2016	(1118)	Transfer	92315	0.54
				11/03/2016	1097	Transfer	93412	0.55
				18/03/2016	(397)	Transfer	93015	0.55
				25/03/2016	1350	Transfer	94365	0.55
				31/03/2016	2958	Transfer	97323	0.57
	At The End Of The Year	97323	0.57					
6	Manoj Khanderia	78922	0.46	01/04/2015				
	At The End Of The Year	78922	0.46			Nil movement		
7	Bhagirath Heda	43598	0.26	01/04/2015				
	At The End Of The Year	43598	0.26			Nil movement		
8	Malu Electrodes Pvt. Ltd	66587	0.39	01/04/2015				
	At The End Of The Year	66587	0.39			Nil movement		
9	Lalkar Securities Pvt.Ltd.	60000	0.35	01/04/2015				
	At The End Of The Year	60000	0.35			Nil movement		
10	Govindgopal R Soni	89250	0.52	01/04/2015				
				19/06/2015	(1300)	Transfer	87950	0.52
				26/06/2015	1300	Transfer	89250	0.52
				28/08/2015	(88050)	Transfer	1200	0.00
				04/09/2015	90650	Transfer	91850	0.53
				11/09/2015	200	Transfer	92050	0.54
				30/10/2015	(89050)	Transfer	3000	0.02
				18/12/2015	87410	Transfer	90410	0.53
				25/12/2015	(350)	Transfer	90060	0.53
				31/12/2015	(900)	Transfer	89160	0.52
				08/01/2016	(700)	Transfer	88460	0.52
				15/01/2016	(95)	Transfer	88365	0.52
				12/02/2016	(84265)	Transfer	4100	0.02
	At The End Of The Year	4100	0.02					

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 in Shareholding	Reason	No. of Shares	% of the total Shares of the Company
1	Damodarlal Malu Chairman	345,833 345,833	2.03 2.03	01/04/2015 31/03/2016		Nil movement		
2	Punamchand Malu Managing Director	402,208 402,208	2.36 2.36	01/04/2015 31/03/2016		Nil movement		
3	Banwarilal Malu Jt. Managing Director	372,912 372,912	2.19 2.19	01/04/2015 31/03/2016		Nil movement		
4	Vasudeo Malu Non Executive Director	726,424 726,424	4.26 4.26	01/04/2015 31/03/2016		Nil movement		
5	Chandrakant Thakkar Non Executive Director	2,232 2,232	0.01 0.01	01/04/2015 31/03/2016		Nil movement		
6	Satyanarayan Rathi Non Executive Director	- -	- -	01/04/2015 31/03/2016		Nil movement		
7	Shyamsunder Soni Non Executive Director	- -	- -	01/04/2015 31/03/2016		Nil movement		
8	Shrutika Inani Non Executive Director	- -	- -	01/04/2015 31/03/2016		Nil movement		
9	Girish Malpani CFO	- -	- -	01/04/2015 31/03/2016		Nil movement		

**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
<b>Indebtedness at the beginning of the financial year</b>				
i Principal Amount	716,742,772.00	321,000,000.00	-	1,037,742,772.00
ii Interest due but not paid	-		-	-
iii Interest accrued but not due	-		-	-
Total (i+ii+iii)	716,742,772.00	321,000,000.00	-	1,037,742,772.00
Change in Indebtedness during the financial year				
Addition	-	38,800,000.00	-	38,800,000.00
Reduction	70,966,922.00		-	(70,966,922.00)
<b>Net change</b>	70,966,922.00	38,800,000.00	-	(32,166,922.00)
<b>Indebtedness at the end of the financial year</b>				
i Principal Amount	645,775,850.00	359,800,000.00	-	1,005,575,850.00
ii Interest due but not paid	-		-	-
iii Interest accrued but not due	-		-	-
Total (i+ii+iii)	645,775,850.00	359,800,000.00	-	1,005,575,850.00

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

sl no	Particulars of Remuneration	Name of MD/ JMD		Total Amount
		Punamchand Malu	Banwarilal Malu	
1	Gross Salary	600,000	600,000	1,200,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
Total (A)		600,000	600,000	1,200,000

### B Remuneration to other Directors

sln	Particulars of Remuneration	Name of Directors						Total Amount
		Chandrakant Thakar	Satyanaray an Rathi	Shyamsunder Sarda	Shrutika Inani	Damodarla l Malu	Vasudeo Malu	
1	Independent Directors							
	For attending Board/Committee Meetings	8,000	4,000	6,000	8,000	-	-	26,000
-	Commission	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-
Total (1)		8,000	4,000	6,000	8,000	-	-	26,000
2	Other Non Executive							
	For attending Board/Committee Meetings	-	-	-	-	10,000	10,000	20,000
-	Commission	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-
Total (2)		-	-	-	-	10,000	10,000	20,000
Total B (1+2)		8,000	4,000	6,000	8,000	10,000	10,000	46,000

### C Remuneration to Key Managerial Personnel

Sl No	Particulars of Remuneration	Name of Key Managerial Personnel	
		Girish Malpani, CFO	Total
1	Gross Salary	1,775,350	1,775,350
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others	-	-
Total (A)		1,775,350	1,775,350

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

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

**A. COMPANY**

Penalty

Punishment

NONE

Compounding

**B. DIRECTORS**

Penalty

Punishment

NONE

Compounding

**C. OTHER OFFICERS IN DEFAULT**

Penalty

Punishment

NONE

Compounding

**MALU PAPER MILLS LTD.**  
**Annexure to Directors' Report-2016**  
**ANNEXURE C**

FORM A: FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

**A POWER AND FUEL CONSUMPTION**

1	<b>ELECTRICITY :</b>	<b>Current year</b>	<b>Previous year</b>
	(a) <b>Purchased</b>		
	Unit	12,027,268	12,258,188
	Total amount (Rs)	92,659,875	87,125,232
	Rate/ unit	7.70	7.11
	(b) <b>Own generation</b>		
	(i) Through diesel generator		
	Unit		
	Units per litre of diesel oil		
	Cost/ unit		
	(ii) Through steam turbine/ generator		
	Unit	37,317,900	35,575,700
	Units per litre of fuel oil / gas		
	Cost/ unit		
2	<b>COAL &amp; BIO MASS:</b>		
	Quantity (Metric Tonnes)	98,851.78	96,999.44
	Total cost (Rs.)	283,059,422	284,203,590
	Average rate	2,863.47	2,929.95
3	<b>FURNANCE OIL:</b>	N.A.	N.A.
	Quantity (k. ltrs.)		
	Total amount		
	Average rate		
4	<b>OTHERS:</b>	N.A.	N.A.
	Quantity		
	Total cost		
	Rate/ unit		

**B CONSUMPTION PER UNIT OF PRODUCTION**

Standards (if any)	Current year	Current year
Products unit (MT)	85,542.66	82,575.33
(Kraft & News print/ Writing printing paper)		
1 Electricity	576.85	579.28
2 Furnace oil	N.A.	N.A.
3 Coal & Biomass	1.16	1.17
4 Others (Specify)	N.A.	N.A.

**FOR MALU PAPER MILLS LTD.**

**Sd/-**  
**DIRECTOR**

## CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on the Corporate Governance for the financial year 2015-19 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 31<sup>st</sup> 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)	<b>Non-Executive Directors:</b>	<b>DIN</b>
a)	<b>Promoter Group</b>	
	1 Shri Damodarlal Malu, Chairman	00301120
	2 Shri Vasudeo Malu	00301313
b)	<b>Independent</b>	
	1 Shri Satyanarayan Rathi	01797378
	2 Shri Chandrakant Thakar	00784189
	3 Smt. Shrutika Inani	06937649
	4 Shri Shyamsunder Sarda	02399265
ii)	<b>Executive Directors:</b>	
	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 28/04/2015, 25/05/2015, 13/08/2015, 31/08/2015, 07/11/2015 and 09/02/2016 during the financial year.

Attendance of each Director at the meetings of Board of Directors held during the financial year 2015-16, last Annual General Meeting and the Number of Directorships and memberships of Committees of each Director in various Companies during the period under review is as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship in India
Shri Punamchand Malu	ED	6	YES	-
Shri Banwarilal Malu	ED	6	YES	-
Shri Damodarlal Malu	NED	5	YES	-
Shri Vasudeo Malu	NED	5	YES	-
Shri Satyanarayan Rathi	ID	2	YES	-
Shri Chandrakant Thakar	ID	4	YES	-
Smt. Shrutika Inani	ID	4	YES	-
Shri Shyamsunder Sarda	ID	3	NO	-

Notes-

- i. ED- Executive Director; NED Non Executive Director; ID – Independent Director
- ii. Excludes Private Limited companies.

### **3. AUDIT COMMITTEE:**

The Audit Committee as on 31-03-2016 comprised of three independent Non-Executive Directors namely Smt. Shrutika Inani (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Chandrakant Thakar.

Smt. 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 the listing agreements / 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 4 (Four) meetings were held on 25/05/2015, 13/08/2015, 07/11/2015 and 09/02/2016. The following table gives attendance record:

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

### **4. SHAREHOLDERS' GRIEVANCE COMMITTEE:**

The Shareholders' Grievance Committee as on 31<sup>st</sup> March 2016 comprised of three Directors i.e. Mr. Satyanarayan Rathi, Mr. Chandrakant Thakar and Mr. Banwarilal Malu

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

The Committee met on 13/08/2015 in which two directors were present.

### **5. NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee as on 31-03-2015 comprised of three independent Non-Executive Directors namely Shri Chandrakant Thakar (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Shyamsunder Sarda.

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



The Committee met on 13/08/2015 in which two directors were present.

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

Financial year	Location	Date & Time of AGM
2014-15	Heera Plaza, 4 <sup>th</sup> Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	22-09-2015 at 11.00 AM
2013-14	Heera Plaza, 4 <sup>th</sup> Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	25-09-2014 at 3.00 PM
2012-13	Heera Plaza, 4 <sup>th</sup> Floor, Near Telephone Exchange, Central Avenue, Nagpur – 8.	17-09-2013 at 3.00 PM

Four Special Resolutions were passed at the annual general meetings :

#### 7. DISCLOSURES:

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

##### Declaration

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the code of conduct for the year ended on 31<sup>st</sup> March, 2016.

#### 8. MEANS OF COMMUNICATION:

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

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

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

#### 10. GENERAL SHAREHOLDERS INFORMATION

##### 1. Twentythird Annual General Meeting:

Date : 24<sup>th</sup> September, 2016.

Time : 3.00 PM

Venue : Heera Plaza, 4<sup>th</sup> Floor, Near Telephone Exchange,  
Central Avenue, Nagpur – 8.

##### 2. Dates of Book Closure: 19<sup>th</sup> September 2016 to 24<sup>th</sup> September 2016 (both days inclusive).

**3. Financial Calendar of the Company:**

The Financial Year covers the period from 01<sup>st</sup> April to 31<sup>st</sup> March.

Financial Reporting for 2016-17 (Tentative)

Unaudited Financial results for the quarter ending	30-06-2016	August, 2016
Unaudited Financial results for the quarter ending	30-09-2016	November, 2016
Unaudited Financial results for the quarter ending	31-12-2016	February, 2017
Unaudited Financial results for the quarter ending	31-03-2017	May, 2017

**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 2016-17 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, 2015 to March 31, 2016 are given below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2015	13.40	11.40	13.50	11.00
May, 2015	15.48	12.46	14.80	12.45
June, 2015	14.00	11.50	14.00	11.40
July, 2015	12.99	10.31	12.85	9.60
August, 2015	13.99	10.3	14.00	10.10
September, 2015	11.49	10.00	13.00	9.50
October, 2015	11.75	10.22	12.95	10.05
November, 2015	12.20	9.81	11.70	9.80
December, 2015	13.40	11.00	13.50	10.85
January, 2016	16.90	11.60	16.70	11.40
February, 2016	13.74	10.52	14.10	11.20
March, 2016	11.90	9.50	11.40	9.5

**6. Registrar and Transfer Agents:**

Link Intime Private Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West), MUMBAI – 440 078.  
Tel. No. 022-2596 3838  
Fax No. 022- 2594 6969  
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 31-03-2016:**

Shareholding of Shares			Share holders		Total Shares	
			Number	%	Shares	%
1	-	500	2780	70.9184	500218	2.9322
501	-	1000	486	12.3980	397028	2.3273
1001	-	2000	257	6.5561	387737	2.2729
2001	-	3000	109	2.7806	274490	1.6090
3001	-	4000	63	1.6071	220353	1.2917
4001	-	5000	38	0.9694	176768	1.0362
5001	-	10000	66	1.6837	477445	2.7988
10001	And	Above	121	3.0867	14625211	85.7319
<b>TOTAL</b>			<b>3920</b>	<b>100.0000</b>	<b>17059250</b>	<b>100.0000</b>

**9. Shareholding Pattern as on 31-03-2016:**

Category	No. of Shares held	% of Share holding
Indian Promoters	11676890	68.45
Private Corporate Bodies	735399	4.31
Indian Public	4624679	27.11
NRI's	22282	0.13
<b>TOTAL</b>	<b>17,059,250</b>	<b>100.00</b>

**10. Dematerialisation of Shares:**

As at 31st March 2015, 170,55,688 (99.97%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days. No GDRs, ADRs or warrants have been issued by the Company.

**11. Registered Office of the Company:**

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

**12. Plant Locations:**

<u>Kraft Division</u>	<u>Newsprint &amp; Writing Printing Division</u>
Village: Borujwada,	Village: Heti Surla
Taluka: Saoner	Taluka: Saoner
Saoner Road.	Nagpur Bhopal Highway
District: Nagpur.	District: Nagpur.

**13. Address for Correspondence from Shareholders:**

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

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**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 2015-16 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: 13/08/2016

Sd/-  
**Punamchand Malu**  
Managing Director

Sd/-  
**Girish Malpani**  
CFO

**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**

**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, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges ('Listing Agreement') for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period December 1, 2015 to March 31, 2016;

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 certify that the Company has complied with the conditions of corporate governance as stipulated in above mentioned Listing agreement/ Listing Regulations, as applicable subject to non appointment of Company Secretary.

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.

Date: 13/08/2016  
Place: Nagpur

**For Demble Ramani & Co.**  
**Chartered Accountants**  
Sd/-

Ashok Ramani  
Partner  
M.No.30537



**DEMBLE RAMANI & Co.**

**CHARTERED ACCOUNTANTS**

201, M. G.HOUSE, R. T. ROAD,

CIVIL LINES, NAGPUR-440 001

PHONE : 8087200551 / 552

LANDLINE: (0712) 6603 630 / 631 / 632

E-mail : [contact@dembleramani.com](mailto:contact@dembleramani.com)

[dembleramani@yahoo.co.in](mailto:dembleramani@yahoo.co.in)

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MALU PAPER MILLS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **MALU PAPER MILLS LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss for the year & the cash flow statement for the year then ended on 31<sup>st</sup> March 2016, and a summary of the significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our Opinion and to the best of our information and according to the explanations given to us and subject to matter described in the Emphasis of Matters, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016;
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on 31<sup>st</sup> March 2016; and
- c) In the case of the Cash Flow Statement, of the cash flow for the year ended on 31<sup>st</sup> March 2016.

**Emphasis of Matters**

We draw attention to the following matters:

- (1) Balances shown under Loans and Advances, Sundry Debtors, Sundry Creditors and Current Liabilities being subject to confirmations/ reconciliations/settlement and consequential adjustments, if any the impact thereof cannot be ascertained at this stage.
- (2) As per the terms of CDR, the company cannot open or maintain any account or avail any type of banking services or facilities from any banks other than CDR member banks/FI without the approval of CDR-EG. But it is observed that the companies maintaining current account with Oriental Bank of Commerce, Nagpur which is a non-lender bank. During the period April 15' to March 16' no transaction in Oriental Bank of Commerce were made. As informed this account is maintained only as additional bank guarantee issued to W.C.L., Nagpur, for execution of Fuel Supply Agreement.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss & the Cash Flow Statements dealt with by this Report are in agreement with the books of account.

**DEMBLE RAMANI & CO.**  
**CONTD.....**

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For DEMBLE RAMANI & CO.**  
**Chartered Accountants**

**CA ASHOK RAMANI**  
**Partner**  
**Mem No. : 30537**  
**FRN : 102259W**

**Place : NAGPUR**  
**Date : 30.05.2016**



**ANNEXURE “A” OF THE INDEPENDENT AUDITOR’S REPORT**

**The Annexure referred to in our report to the members of the Malu Paper Mills Limited for the year Ended on 31<sup>st</sup> March 2016.**

**We report that:-**

- (i) a) As per the information and explanation provided to us, the preparation of fixed assets register showing full particulars including quantitative details, coding and situation of Fixed Assets is approaching completion.
- b) As per the information and explanation provided to us, the physical verification of the fixed assets has been carried out by the management; and no material discrepancies were noticed on such verification.
- c) On examination of the documents provided to us, the title deeds of immovable properties are held in the name of company and no material discrepancies were noticed on such verification.
- (ii) As per the information and explanation provided to us, the management has physically verified its inventories at reasonable intervals
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Hence, Clause (a), (b) & (c) are not applicable.
- (iv) The company has not provided any loans, guarantees & security, or made any investment. Thus, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The company has not accepted deposits from the public. Hence the issue of compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder does not arise.
- (vi) We have broadly reviewed books of accounts maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 128 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at **31<sup>st</sup> March, 2016** for a period of more than six months from the date they became

**DEMBLE RAMANI & CO.**  
**CONTD.....**

payable.

- b) According to the records of the company there are statutory dues, which are outstanding on account of certain disputes at the end of the year

Name of Statute	Nature of the Dues	Amount	Assessment Years	Forum where dispute is pending
Central Excise Act.	Excise Duty	2.63 Lacs	2003-04	Asstt. Commissioner of CEST (Appeal)
Central Excise Act.	Excise Duty	4.33 Lacs	2004-05	Asstt. Commissioner of CEST (Appeal)
Central Excise Act.	Excise Duty	3.79 Lacs	2004-05	Asstt. Commissioner of CEST (Appeal)

- (viii) During the Financial Year 2011-12, all the credit facilities utilised from banks are restructured under the Corporate Debts Restructure (CDR) mechanism and according to the records of the company examined by us and the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any financial institutions or banks. The company does not have any borrowings by way of debentures.
- (ix) During the concerned financial year, no money has been raised either by way of initial public offer or further public offer or by term loans, by the company.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information provided to us the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The provisions of Nidhi Rules, 2014 are not applicable to the company.
- (xiii) According to the information and explanations provided to us by the management, all transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**DEMBLE RAMANI & CO.**  
**CONTD.....**

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

**For DEMBLE RAMANI & CO.**  
**Chartered Accountants**

**Place : NAGPUR**  
**Date : 30.05.2016**

**CA ASHOK RAMANI**  
**Partner**  
**Mem No. : 30537**  
**FRN : 102259W**

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of MALU PAPER MILLS LIMITED as of 31 March, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

The Company is in process of compiling the policies for internal financial controls with respect to maintenance of records, authorization by appropriate authority for material transactions, check against unauthorized, acquisition/use/disposition of company's assets, and utilization of equity and borrowed funds, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely completion of reliable financial information etc. The company is streaming to lay down controls with respect to the above. We further invite attention to the fact that during the concerned financial year the company was not subject to internal audit.

In our opinion, the adequacy & effectiveness of the internal control systems over financial reporting as at 31 March 2016, 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 can be evaluated, once the controls have been properly implemented.

**For DEMBLE RAMANI & CO.**  
**Chartered Accountants**

**CA ASHOK RAMANI**  
**Partner**  
**Mem No. : 30537**  
**FRN : 102259W**

**Place : NAGPUR**  
**Date : 30.05.2016**

# BALANCE SHEET AS AT 31ST MAR' 2016

Particulars		Note No.	Figures as at 31st Mar 2016 (In Rs.)	Figures as at 31st Mar 2015 (In Rs.)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	2	170,592,500	170,592,500
	(b) Reserves and surplus	3	(22,632,315)	(42,163,327)
2	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	775,093,874	813,420,030
	(b) Other Long term liabilities	5	159,547,924	159,143,318
	(c) Long-term provisions	6	4,138,541	3,815,061
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	230,481,976	224,322,742
	(b) Trade payables	8	153,943,775	166,394,066
	(c) Other current liabilities	9	83,879,904	77,297,975
	<b>TOTAL :</b>		<b>1,555,046,179</b>	<b>1,572,822,365</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
1	(a) Fixed assets			
	(i) Tangible Assets	10	889,855,750	919,205,774
	(ii) Intangible Assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible Assets under development		-	-
	(b) Non-current investments	11	1,100,000	1,100,000
	(c) Deferred tax assets (Net)	12	103,867,000	112,707,000
	(d) Long-term loans and advances	13	63,802,801	65,788,984
2	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	14	181,364,250	187,065,500
	(c) Trade receivables	15	228,558,406	212,731,272
	(d) Cash and cash equivalents	16	18,151,258	16,922,407
	(e) Short-term loans and advances	17	68,346,714	57,301,429
	<b>TOTAL :</b>		<b>1,555,046,179</b>	<b>1,572,822,365</b>
Significant Accounting Policies		1		

**For Malu Paper Mills Limited.**

**As per our Report of even date,  
For Demble Ramani & Co.  
Chartered Accountants**

**Sd/-**  
**Punamchand Malu**  
**(Managing Director)**  
**(Din 00301030)**  
**Place : Nagpur**  
**Date : 30.05.2016**

**Sd/-**  
**Banwarilal Malu**  
**(Jt.Managing Director)**  
**(Din 00301297)**

**Sd/-**  
**Girish Malpani**  
**(CFO)**

**Sd/-**  
**Ashok Ramani**  
**Partner**  
**Mem. No. 30537**  
**FRN 102259W**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR' 2016**

Particulars		Note No.	2015-2016 (In Rs.)	2014-2015 (In Rs.)
I.	<b>Revenue From Operations</b>			
	Sale of products	18	2,348,993,243	2,373,394,954
	Less: <b>Excise Duty</b>		71,415,215	65,217,890
	<b>Net Sales</b>		2,277,578,028	2,308,177,064
II.	<b>Other income</b>	19	22,553,072	2,745,653
III.	<b>Total Revenue (I + II)</b>		<b>2,300,131,100</b>	<b>2,310,922,717</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	20	1,354,443,915	1,371,796,070
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(3,666,500)	1,327,400
	Employee benefits expenses	22	67,868,683	62,390,647
	Finance costs	23	156,301,401	155,752,702
	Depreciation and amortization expense	10	47,053,949	46,140,396
	Other expenses	24	649,758,641	646,185,056
	<b>Total expenses</b>		<b>2,271,760,088</b>	<b>2,283,592,270</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>28,371,012</b>	<b>27,330,447</b>
VI.	Exceptional items			
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>28,371,012</b>	<b>27,330,447</b>
VIII.	Extraordinary Items			
IX.	<b>Profit before tax (VII- VIII)</b>		<b>28,371,012</b>	<b>27,330,447</b>
X	Tax expenses:			
	(1) Current tax		0	0
	(2) Deferred tax		8,840,000	8,603,000
XI	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>19,531,012</b>	<b>18,727,447</b>
XII	Profit/(loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>19,531,012</b>	<b>18,727,447</b>
XVI	<b>Earnings per equity share:</b>			
	(1) Basic		1.14	1.10
	(2) Diluted		1.14	1.10

**For Malu Paper Mills Limited.**

**As per our Report of even date,  
For Demble Ramani & Co.  
Chartered Accountants**

**Sd/-**  
**Punamchand Malu**  
**(Managing Director)**  
**(Din 00301030)**  
**Place : Nagpur**  
**Date : 30.05.2016**

**Sd/-**  
**Banwarilal Malu**  
**(Jt.Managing Director)**  
**(Din 00301297)**

**Sd/-**  
**Girish Malpani**  
**(CFO)**

**Sd/-**  
**Ashok Ramani**  
**Partner**  
**Mem. No. 30537**  
**FRN 102259W**

**A. Cash Flows from Operating Activities**

Reserve & surplus

Net Profit before Tax	28,371,012	27,330,447
Adjustments for:		
Depreciation	47,053,949	46,140,396
Non Operating Income - Interest & Other	(2,493,202)	(2,656,190)
Non Operating Income - Profit/Loss on sale of Fixed Assets	0	54,078
Interest Expenses	156,301,401	155,752,702
<b>Operating Profit before Working Capital Changes</b>	<b>229,233,160</b>	<b>226,621,432</b>
<b>Adjustments for:</b>		
Trade Receivables	(15,827,134)	(3,690,079)
Other Receivables	(219,102)	5,267,054
Inventories	5,701,250	(57,259,855)
Trade Payables & Other Liabilities	(5,544,882)	31,200,009
<b>Cash Generated from Operations</b>	<b>213,343,291</b>	<b>202,138,561</b>
Deffered Tax	(8,840,000)	(8,603,000)
<b>Net Cash from Operating Activities</b>	<b>204,503,291</b>	<b>193,535,561</b>

**B. Cash Flows from Investing Activities**

Purchase of Fixed Assets	(17,703,925)	(32,779,334)
Sale of Fixed Assets	0	185,000
Interest Received & Others	2,493,202	2,656,190
<b>Net Cash from Investing Activities</b>	<b>(15,210,723)</b>	<b>(29,938,144)</b>

**C. Cash Flows from Financing Activities**

Proceeds from Borrowings	(70,966,922)	(20,269,528)
Increase in Inter Corporate	38,800,000	12,600,000
Deposits & Other Loans	404,606	1,453,278
Interest Paid	(156,301,401)	(155,752,702)
<b>Net Cash used in Financing Activities</b>	<b>(188,063,717)</b>	<b>(161,968,951)</b>

**Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)**

**1,228,852 1,628,466**

**Cash and Cash Equivalents at the beginning of period**

**16,922,407 15,293,941**

**Cash and Cash Equivalents at the end of period**

**18,151,258 16,922,407**

**Net Change in Cash {Inc+/Dec-}**

**1,228,852 1,628,466**

Note:

The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.

**For Malu Paper Mills Limited.**

**As per our Report of Even Date  
For Demble Ramani & Co.  
Chartered Accountants**

Sd/-  
Punamchand Malu  
(Managing Director)  
(Din 00301030)  
Place : Nagpur  
Date : 30.05.2016

Sd/-  
Banwarilal Malu  
(Jt.Managing Director)  
(Din 00301297)

Sd/-  
Girish Malpani  
(CFO)

Sd/-  
Ashok Ramani  
Partner  
Mem. No. 30537  
FRN 102259W



## **Note 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

a) **System of Accounting :-**

The Financial Statements of the company have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company Affairs, Ministry of Law, Justice & Company affairs & The Institute of Chartered Accountants of India..The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those followed in previous year.

b) **Use of Estimates :-**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities, including the disclosure of contingent liabilities (if any) as of the date of the financial statements and the reported incomes and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from those estimates. Any revision to accounting estimates is recognized in the period in which the results are known / materialized.

c) **Fixed Assets :-**

Fixed Assets are carried at cost. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use and after providing for Cenvat Credit and VAT Credit.

d) **Depreciation :-**

Depreciation on Fixed Assets is provided using Straight Line Method on the basis of useful life of assets as specified in Schedule II of the Companies Act, 2013 and is provided on pro rata basis on the assets acquired during the year.

e) **Impairment of Assets :-**

The carrying amounts of assets / cash generating units are reviewed at each balance sheet date if there is any indication of Impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre tax weighted average cost of capital.

f) **Inventories:-**

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

g) **Sales:-**

(1) Sales of goods are recognised when goods are supplied in accordance with the terms of sales and are recorded inclusive of duties and taxes.

(2) Sale of Carbon Credit and Interest Income are recognised on accrual basis.

h) **Borrowing Costs :-**

Borrowing costs include interest and bank charges. Borrowing costs are capitalized as a part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

i) **Taxes on Income :-**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief and deduction available under the Income tax Act-1961.

Deferred tax Assets is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal is one or more subsequent periods.

j) **Investments:-**

Long term Investments are valued at cost. These are classified as non Trade Investment.

k) **Retirement Benefits :**

Provisions for / contributions to retirement benefit scheme are made as follows :

a) Provident Fund on actual liability basis.

B) Liability in respect of future payment of Gratuity to retiring employees is provided on the accrual basis on estimation at the end of each financial year.

l) **Foreign Currency Transactions :**

Foreign Currency Transactions are accounted for at the rates prevailing on the dates of the transactions converted at contracted rate.

m) **Earning Per Share :-**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

n) **Provisions, Contingent Liabilities and Contingent Assets :-**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

NOTE	PARTICULARS	AS ON 31ST MAR'2016 AMOUNT		AS ON 31ST MARCH'2015 AMOUNT	
<b>NOTE 2</b>	<b><u>SHARE CAPITAL</u></b>				
		<b>Number</b>		<b>Number</b>	
<b>a</b>	<b>Authorised</b>				
	Equity Shares of `Rs.10 each	20,000,000	200,000,000	20,000,000	200,000,000
<b>b</b>	<b>Issued</b>				
	Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500
<b>c</b>	<b>Subscribed &amp; fully Paid up</b>				
	Equity Shares of ` Rs.10 each fully paid	17,059,250	170,592,500	17,059,250	170,592,500
	<b>Total :</b>	<b>17,059,250</b>	<b>170,592,500</b>	<b>17,059,250</b>	<b>170,592,500</b>
<b>d</b>	<b><u>Reconciliation of Number of Shares Outstanding :</u></b>				
	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
<b>e</b>	<b><u>Rights, preference &amp; restriction attached to Equity Shares</u></b>				
	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.				
<b>f</b>	<b><u>Details of Shareholders, holding more than 5% of the Paid up Equity Share Capital of the Company with Voting Rights :</u></b>				
	<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>% of Holding</b>	<b>Number of Shares held</b>	<b>% of Holding</b>
	Frontline Commercial Pvt Ltd	1,395,401	8.18%	1,291,836	7.57%
	Wistaria Farms Pvt Ltd	1,033,500	6.06%	1,033,500	6.06%
	Kaveri Malu	1,052,487	6.17%	1,052,487	6.17%
<b>NOTE 3</b>	<b><u>RESERVES &amp; SURPLUS</u></b>				
<b>a</b>	<b>General Reserves</b>				
	Opening Balance		211,880,327		211,880,327
	Movement During the Reporting Period				
	Closing Balance		<b>211,880,327</b>		<b>211,880,327</b>
<b>b</b>	<b>Securities Premium Account</b>				
	Opening Balance		147,952,928		147,952,928
	Movement During the Reporting Period				
	Closing Balance		<b>147,952,928</b>		<b>147,952,928</b>
<b>c</b>	<b>Profit &amp; Loss Account</b>				
	Opening balance		(401,996,582)		(420,724,028)
	(+) Net Profit/(Net Loss) For the period		19,531,012		18,727,447
	Closing Balance		<b>(382,465,570)</b>		<b>(401,996,582)</b>
	<b>Total (a+b+c) :</b>		<b>(22,632,315)</b>		<b>(42,163,327)</b>

**NOTE 4****LONG-TERM BORROWINGS****a SECURED LOANS**

i	Bank of India, Mumbai	112,606,329	132,425,659
ii	Jammu & Kashmir Bank, Mumbai	74,198,238	87,459,342
iii	State Bank of India, Nagpur	108,898,218	128,797,012
iv	Bank of Baroda, Mumbai	42,757,738	50,536,842
v	Axis Bank, Nagpur	76,411,589	92,645,305
vi	ICICI Bank Ltd	0	93,975
vii	State Bank of India	421,762	461,895
<b>Total (a) :</b>		<b>415,293,874</b>	<b>492,420,030</b>

- 1 (Loans of Sr. No a (i) to (v) of Note 4 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) and (viii) of Note 4 are secured by hypothecation of vehicle of company.)
- 3 In the financial year 2011-12, Loans of Sr. No. a (i) to (v) of Note 4 are restructured under the Corporate Debts Restructure (CDR) mechanism.

**DETAILS OF RATE OF INTEEST & TERMS OF REPAYMENT OF TERM LOANS**

REPAYMENT SCHEDULE OF TERM LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 16-17	Terms of Payment - 4 Quaterly Instalment in FY 16-17	Rate of Interest in FY 16-17
Bank of India, Mumbai	69,199,607	11,704,800	2,926,200	16.2%
Bank of India, Mumbai	32,406,722	5,420,000	1,355,000	16.0%
Bank of India, Mumbai	11,000,000	2,750,000	687,500	16.0%
Jammu & Kashmir Bank, Mumbai	63,932,661	10,663,480	2,665,870	16.5%
Jammu & Kashmir Bank, Mumbai	10,265,577	2,566,668	641,667	16.5%
State Bank of India, Nagpur	55,276,386	9,640,000	2,410,000	20.3%
State Bank of India, Nagpur	42,768,955	6,960,000	1,740,000	11.5%
State Bank of India, Nagpur	10,852,877	2,800,000	700,000	14.0%
Bank of Baroda, Mumbai	42,757,738	7,669,552	1,917,388	14.4%
Axis Bank, Nagpur	24,766,011	4,220,000	1,055,000	22.8%
Axis Bank, Nagpur	47,747,840	8,096,000	2,024,000	11.0%
Axis Bank, Nagpur	3,897,738	1,000,000	250,000	14.0%
<b>Total (i) :</b>	<b>414,872,112</b>	<b>73,490,500</b>	<b>18,372,625</b>	

REPAYMENT SCHEDULE OF VEHICLE LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 16-17	Terms of Payment - Monthly Instalment	Rate of Interest
ICICI Bank Ltd; Nagpur	0	93,975	46,987	10.50%
State Bank of India	421,762	662,484	55,207	9.75%
<b>Total (ii) :</b>	<b>421,762</b>	<b>756,459</b>	<b>102,194</b>	
<b>Total (I + ii) :</b>	<b>415,293,874</b>	<b>74,246,959</b>	<b>18,474,819</b>	

**b UNSECURED LOANS**

(a) Loans and advances from related parties	43,600,000	40,700,000
(b) Loans and advances from Inter Corporate	301,200,000	265,300,000
(c) Loans and advances from others	15,000,000	15,000,000
<b>Total (b) :</b>	<b>359,800,000</b>	<b>321,000,000</b>
<b>Total (a + b) :</b>	<b>775,093,874</b>	<b>813,420,030</b>

<b>NOTE 5</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Deffered Sales Tax	159,547,924	159,143,318
	<b>Total :</b>	<b>159,547,924</b>	<b>159,143,318</b>

**Deferred Sales Tax Liability includes:**

(1) Interest free deferred Sales Tax Liability amounting to Rs. 1664.62 Lacs (PY Rs 1627.09) has been outstanding at the year end. During the year company has availed further deferred sales tax liability in Kraft Division of Rs.37.53 Lacs (PY Rs. 37.62 Lacs)

(2) The repayment of the Deferred sales tax liability will be made after 31.03.2016 as per the schedule.

(3) Repayment schedule

<b>REPAYMENT SCHEDULE OF DEFERRED SALES TAX</b>	<b>Repayable after 1 year from the date of Balance Sheet</b>	<b>Repayable in FY 16-17</b>	<b>Total</b>
Deffered Sales Tax	159,547,924	6,914,112	166,462,036
<b>Total</b>	<b>159,547,924</b>	<b>6,914,112</b>	<b>166,462,036</b>

<b>NOTE 6</b>	<b>Long Term Provisions</b>		
	Retirement Benefits		
	Provision for Gratuity	4,138,541	3,815,061
	<b>Total :</b>	<b>4,138,541</b>	<b>3,815,061</b>

<b>NOTE 7</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Secured</b>		
<b>a</b>	<b>Loans repayable on demand</b>		
	<b>Working Capital Limit from</b>		
<b>i</b>	Axis Bank Ltd; Nagpur	54,218,748	58,355,448
<b>ii</b>	State Bank of India, Nagpur	58,449,025	55,577,697
<b>iii</b>	Bank of India, Mumbai	58,895,258	55,159,401
<b>iv</b>	Jammu & Kashmir Bank, Mumbai	29,368,185	27,726,060
<b>v</b>	Bank of Baroda, Mumbai	29,550,759	27,504,136
	<b>Total :</b>	<b>230,481,976</b>	<b>224,322,742</b>

(Loans of Sr. No a (i) to (v) of Note 7 are secured by :

1. Primary : First pari passu charge on the entire Curent Assets of the Company both present & future.

2. Collateral : Second pari pasu 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>NOTE 8</b>	<b>TRADE PAYABLE</b>		
<b>a</b>	Trade Payable	153,943,775	166,394,066
	<b>Total :</b>	<b>153,943,775</b>	<b>166,394,066</b>

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

<b>NOTE 9</b>	<b>OTHER CURRENT LIABILITIES</b>		
<b>a</b>	Current Maturities of Long Term Debt (As per Note 4 above)	74,246,959	71,339,714
<b>b</b>	Deffered Sales Tax (As per Note 5 above)	6,914,112	3,565,575
<b>c</b>	Duties & Taxes	1,996,333	1,670,886
<b>d</b>	Other Payables	722,500	721,800
	<b>Total :</b>	<b>83,879,904</b>	<b>77,297,975</b>

<b>NOTE 11</b>		<b>NON- CURRENT INVESTMENTS</b>	
	Investment in Equity instruments Unquoted Ganga Care Hospitals Ltd. (110000 Equity Shares of Rs. 10 each)	1,100,000	1,100,000
	<b>Total :</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>NOTE 12</b>		<b>DEFERRED TAX ASSETS (NET)</b>	
<b>a</b>	<b>Deffered Tax Assets</b>		
	Unabsorbed Depreciation & Business Loss	285,467,000	295,233,000
<b>b</b>	<b>Deffered Tax Liability</b>		
	Depreciation & Amortisation	181,600,000	103,867,000
	<b>Total :</b>	<b>103,867,000</b>	<b>112,707,000</b>
<b>NOTE 13</b>		<b>LONG-TERM LOANS &amp; ADVANCES</b>	
<b>a</b>	<b>Security Deposits</b>		
	Unsecured, considered good	11,456,183	11,456,183
<b>b</b>	Deposits with Government Authorities	47,383,720	49,835,118
<b>c</b>	Fixed Deposit with Bank (Against Margin Money for Bank Guarantee)	3,917,951	3,917,951
<b>d</b>	Accrued Interest on FDR	1,044,947	579,732
	<b>Total :</b>	<b>63,802,801</b>	<b>65,788,984</b>
<b>NOTE 14</b>		<b>INVENTORIES</b>	
<b>a</b>	Raw Materials and components (Valued at cost or NRV whichever is lower)	78,521,100	96,012,400
	Waste Paper - Indian	47,152,400	68,659,200
	Waste Paper - Imported	14,554,200	12,143,200
	Chemical	16,814,500	15,210,000
<b>b</b>	Fuel	20,272,400	19,509,000
<b>c</b>	Packing Material	2,715,400	2,060,000
	<b>Total (a+b+c) :</b>	<b>101,508,900</b>	<b>117,581,400</b>
<b>d</b>	Finished goods (Valued at cost or NRV whichever is less)		
	Internally Manufactured	14,570,600	10,904,100
	Finished Goods	10,095,600	6,689,100
	Stock In Process	4,475,000	4,215,000
	<b>Total (d) :</b>	<b>14,570,600</b>	<b>10,904,100</b>
<b>e</b>	Consumable Stores (Valued at cost or NRV whichever is lower)	65,284,750	58,580,000
	<b>Total (e) :</b>	<b>65,284,750</b>	<b>58,580,000</b>
	<b>Total (a+b+c+d+e) :</b>	<b>181,364,250</b>	<b>187,065,500</b>

**NOTE 15****TRADE RECEIVABLES****a Trade receivables outstanding for a period less than six months from the date they are due for payment**

Unsecured, considered good	222,032,641	208,861,755
<b>Total (a) :</b>	<b>222,032,641</b>	<b>208,861,755</b>

**b Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good	4,862,277	1,675,029
Unsecured, considered doubtful	1,663,488	2,194,488
<b>Total (b) :</b>	<b>6,525,765</b>	<b>3,869,517</b>
<b>Total (a + b) :</b>	<b>228,558,406</b>	<b>212,731,272</b>

**NOTE 16****CASH AND CASH EQUIVALENTS****a Balances with Banks****In current Account with**

State Bank of India, Saoner	333,591	486,030
Jammu & Kashmir Bank, Mumbai	0	5,000
Oriental Bank of Commerce, Nagpur	38,755	38,755
Bank of India, Nagpur	61,137	61,188
Axis Bank Ltd; Nagpur - Collection Inflow	1,477,088	84,469
<b>Total :</b>	<b>1,910,571</b>	<b>675,442</b>

FDR with Bank (Against Margin Money for Letter of Credit)	15,566,722	15,381,540
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<b>c Cash in hand</b>	673,965	865,424
<b>Total :</b>	<b>18,151,258</b>	<b>16,922,407</b>

**NOTE 17****SHORT TERM LOANS AND ADVANCES****Unsecured, considered good**

<b>a</b> Deposits and Balances with Government and Other Authorities	10,888,520	10,992,343
<b>b</b> Advances Recoverable in Cash or in Kind or for value to be received	56,681,068	45,877,768
<b>c</b> Accrued Interest on FDR	777,126	431,318
<b>Total :</b>	<b>68,346,714</b>	<b>57,301,429</b>



**NOTE 18****REVENUE FROM OPERATION**

Sale of products;  
Manufacturing Goods

a	Kraft Paper	1,175,057,350	1,093,254,814
b	Newsprint Paper	1,173,935,893	1,280,140,141
<b>Total :</b>		<b>2,348,993,243</b>	<b>2,373,394,954</b>

**NOTE 19****OTHER INCOME**

Interest on FDR	1,744,592	1,768,913
Interest on Security Deposit	748,610	744,377
Income from Duty Draw Back-Export	63,763	127,041
Dividend		16,500
Income from Carbon Credit Sale	19,929,901	-
Income from Profit on Sale of Vehicle		(54,078)
Interest on Income Tax Refund	66,206	
Sale of Scrap		142,900
<b>Total :</b>	<b>22,553,072</b>	<b>2,745,653</b>

**NOTE 20****COST OF MATERIALS CONSUMED****Details of Raw Material Consumed**

Raw Material at the beginning of the year	96,012,400	32,950,300
Add: Purchases	1,313,537,212	1,411,104,822
Total :	1,409,549,612	1,444,055,122
Less: Raw Material at the end of the year	78,521,100	96,012,400

Cost of Raw Material consumed	<b>1,331,028,512</b>	<b>1,348,042,722</b>
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**Item wise details of Raw Material Consumed**

Waste Paper - Indian - Kraft	506,866,001	442,064,774
Waste Paper - Imported - Kraft	105,856,697	154,776,791
Chemical - Kraft	66,240,064	58,512,325
Waste Paper - Indian - Newsprint	571,661,457	626,649,924
Waste Paper - Imported - Newsprint	24,049,106	4,704,842
Chemical - Newsprint	56,355,187	61,334,068
<b>Total</b>	<b>1,331,028,512</b>	<b>1,348,042,722</b>

**Details of Consumable Stores Consumed**

Consumable Stores at the beginning of the year	58,580,000	55,240,000
Add: Purchases	30,120,153	27,093,348
Total :	88,700,153	82,333,348
Less: Consumable Stores at the end of the year	65,284,750	58,580,000
Cost of Consumable Stores consumed	<b>23,415,403</b>	<b>23,753,348</b>

<b>Total :</b>	<b>1,354,443,915</b>	<b>1,371,796,070</b>
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<b>NOTE 21</b>		<b><u>Details of changes in Inventory</u></b>	
		<b>Inventory at the end of the year</b>	
<b>Particulars</b>			
Stock in Process	4,475,000		4,215,000
Finished Goods	10,095,600		6,689,100
<b>Total :</b>	<b><u>14,570,600</u></b>		<b><u>10,904,100</u></b>
<b>Inventory at the beginning of the year</b>			
<b>Particulars</b>			
Stock in Process	4,215,000		4,358,000
Finished Goods	6,689,100		7,873,500
<b>Total :</b>	<b><u>10,904,100</u></b>		<b><u>12,231,500</u></b>
<b>Increase/Decrease in Inventory</b>			
<b>Particulars</b>			
Stock in Process	(260,000)		143,000
Finished Goods	(3,406,500)		1,184,400
<b>Total :</b>	<b><u>(3,666,500)</u></b>		<b><u>1,327,400</u></b>
<b>NOTE 22</b>		<b><u>EMPLOYEE BENEFITS</u></b>	
Directors Remuneration	2,400,000		1,200,000
Salary & Allowances	59,866,864		55,980,022
Providend Fund	3,991,143		3,603,114
Staff Welfare Expenses	1,287,196		1,177,358
Gratuity Benefits	323,480		430,153
<b>Total :</b>	<b><u>67,868,683</u></b>		<b><u>62,390,647</u></b>
<b>NOTE 23</b>		<b><u>FINANCE COSTS</u></b>	
Bank Charges	11,834,786		10,018,109
Interest to Bank	113,256,071		114,035,699
Interest on Unsecured Loan	31,210,544		31,698,894
<b>Total :</b>	<b><u>156,301,401</u></b>		<b><u>155,752,702</u></b>

**NOTE 24****OTHER EXPENSES**

Power & Fuel	375,719,297	371,328,823
Packing Material	24,694,786	27,113,979
Freight Inward	60,880,408	59,327,694
Contractor Payment	16,384,531	15,099,080
Clearing & Forwarding	1,734,960	1,024,297
Custom Duty	2,425,804	2,018,215
Water Charges	1,819,536	1,988,768
VAT/CST	71,223,041	71,309,052
<b>Repairs &amp; Maintenance</b>		
Building	61,922	884,691
Plant & Machinery	39,940,889	44,027,666
Advertisement	143,463	211,888
Annual Listing Fees	410,000	284,944
Audit Fees	572,500	561,800
Consultancy Charges	3,324,599	2,605,647
Conveyance Charges & Vehicle Maintenance	697,191	947,785
Donation	27,000	510,000
Insurance Charges	1,440,147	1,682,629
Internal Audit Fees	150,000	133,500
Labour Welfare Fund	30,975	53,674
Office & Misc. Expenses	1,450,466	1,260,465
Professional Tax	2,500	-
Periodicals & Subscription	77,177	78,617
Postage	146,068	130,563
Printing & Stationery	324,986	254,765
Rent, Rates & Taxes	939,141	2,099,133
ROC Fees Expenses	34,471	15,000
Security Expenses	3,522,877	2,720,288
Selling & Distribution Expenses	36,870,501	34,613,508
Carriage Outward	3,034,614	2,274,448
Swachh Bharat Cess	53,082	-
Sitting Fess Expenses	42,000	12,000
Interest on Tds and Late Fees	210,175	-
Telephone Expenses	672,678	637,897
Travelling Expenses	696,857	974,241
<b>Total :</b>	<b>649,758,641</b>	<b>646,185,056</b>

**NOTE 25****DISCLOSURE OF RELATED PARTY TRANSACTIONS :**

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

**a Associate Companies**

Malu Electrodes Pvt. Ltd.  
 Salasar Alloy & Steel Industries Pvt Ltd  
 Frontline Commercials Pvt Ltd  
 Narayan Coal Traders Pvt Ltd  
 Neelkamal Financial Services Pvt Ltd  
 Shree Sales Corporation 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	284,209	275,821
Finance Taken	22,900,000	28,687,000
Interest on Loan	9,100,000	7,570,000

**Salasar Alloy & Steel Industries Pvt Ltd**

Purchases during the year	430,801
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**Frontline Commercials Pvt Ltd**

Finance Taken	4,000	122,000
Interest on Loan	440,000	420,000

**Narayan Coal Traders Pvt Ltd**

Finance Taken	-	-
Finance Paid	110,500	24,000
Interest on Loan	345,000	360,000

**Neelkamal Financial Services Pvt Ltd**

Interest on Loan	1,680,000	1,500,000
Finance Taken	-	150,000
Finance Paid	12,000	-

**Shree Sales Corporation Pvt Ltd**

Finance Taken	-	-
Finance Paid	-	9,900,000
Interest on Loan	-	145,000

**Solar Carbons Pvt Ltd**

Interest on Loan	1,400,000	1,462,500
Finance Paid	60,000	66,250

**Wistaria Farms Pvt Ltd**

Interest on Loan	135,000	126,000
Finance Paid	21,500	13,400

**Malu Infrastructure Pvt Ltd**

Finance Taken	500,000	5,900,000
Finance Paid	-	-
Interest on Loan	1,555,000	1,007,350

**Relatives of Key Management Persons**

	<b>Directors Remuneration</b>	<b>Directors Remuneration</b>
Poonamchand Malu	1,200,000	600,000
Banwarilal Malu	1,200,000	600,000
	<b>Interest on Loan</b>	<b>Interest on Loan</b>
Banwarilal Malu (HUF)	135,000	126,000
Kaveri Malu	745,000	778,500
Manisha Malu	250,000	216,000
Shashi Malu	720,000	756,000
Vasudeo Malu	1,105,000	1,701,000

**Amount Payable as on reporting Date**

Banwarilal Malu (HUF)	1,600,000	1,500,000
Frontline Commercials Pvt Ltd	11,400,000	11,000,000
Kaveri Malu	10,000,000	9,300,000
Malu Electrodes Pvt. Ltd.	240,000,000	208,000,000
Manisha Malu	3,000,000	2,500,000
Narayan Coal Traders Pvt Ltd	4,500,000	4,300,000
Neelkamal Financial Services Pvt Ltd	15,500,000	14,000,000
Shashi Malu	9,600,000	9,000,000
Solar Carbons Pvt Ltd	18,700,000	17,500,000
Vasudeo Malu	19,400,000	18,400,000
Wistaria Farms Pvt Ltd	1,600,000	1,500,000
Malu Infrastructure Pvt Ltd	9,500,000	9,000,000

**NOTE 26** **PAYMENT TO AUDITORS IN OTHER EXPENSES (NOTE 24) CONSISTS OF:**

Statutory & Tax Audit Fees	500,000	500,000
Service Tax	72,500	61,800
<b>Total</b>	<b>572,500</b>	<b>561,800</b>

**NOTE 27** **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 Accounting Standard 17 on Segment Reporting.

**NOTE 28** **EARNING PER SHARE (EPS)**

EPS is calculated by dividing the earning available for equity shareholders or loss attributable to equity shareholders by the weighted

Profit (Loss) after tax	19,531,012	18,727,447
Weighted Number of Shares - Basic	17,059,250	17,059,250
EPS	1.14	1.10
Basic/Diluted Earning Per Share	1.14	1.10
Face value per share	10.00	10.00

**NOTE 29** **ADDITIONAL INFORMATION**

<b>a</b>	Value of imports calculated on C.I.F basis by the company during the financial year in respect of –		
	I. Raw materials;	136,577,727	168,320,532
	II. Components and spare parts;	8,989,449	5,903,703
	III. Capital goods;	-	-
	IV. Purchase of Trading Goods:-	-	-
<b>b</b>	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;	<b>NIL</b>	<b>NIL</b>
<b>c</b>	Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;	134166727 (10%) 1220277188 (90%) 1354443915 (100%)	136066381 (10%) 1218377534 (90%) 1354443915 (100%)
<b>d</b>	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	<b>NIL</b>	<b>NIL</b>
<b>e</b>	Earnings in foreign exchange classified under the following heads, namely:-		
	I. Export of goods calculated on F.O.B. basis;	25,641,895	16,131,455
	II. Royalty, know-how ,professional and consultation fees;	-	-
	III. Interest and dividend;	-	-
	IV. Other income (Sale of CER)	19,929,901	-

**NOTE 30** **CONTINGENT LIABILITIES :**

Bank Guarantee Outstanding	14,673,377	14,423,377
Letter of Credit/Buyer's Credit	119,625,056	114,896,964
Bonds Executed in Favour of Government Authorities in respect of EPCG Licence towards duty saved against which Export obligation has to be made.	61,401,000	61,401,000

**NOTE 31****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.

**For Malu Paper Mills Limited.****As per our Report of even date,  
For Demble Ramani & Co.  
Chartered Accountants**

**Sd/-**  
**Punamchand Malu**  
**(Managing Director)**  
**(Din 00301030)**  
**Place : Nagpur**  
**Date : 30.05.2016**

**Sd/-**  
**Banwarilal Malu**  
**(Jt.ManagingDirector)**  
**(Din 00301297)**

**Sd/-**  
**Girish Malpani**  
**(CFO)**

**Sd/-**  
**Ashok Ramani**  
**Partner**  
**Mem. No. 30537**  
**FRN 102259W**

**NOTE 10 FIXED ASSETS**

Sr. No.	Fixed Assets	Rate of Deprecation (As per SLM)	Useful Life	Gross Block			Accumulated Depreciation			Net Block	
				Balance as at 1 April 2015	Additions during the year	Balance as at 31 Mar 2016	Balance as at 1 April 2015	Depreciation charge for the year	Balance as at 31 Mar 2016	Balance as at 1 April 2015	Balance as at 31 Mar 2016
a	Tangible Assets (Under Lease)										
1	Leasehold Land	1.05%		8,573,045		8,573,045	812,187	90,243	902,430	7,760,858	7,670,615
b	Tangible Assets (Not Under Lease)										
1	Freehold Land	0.00		7,631,171		7,631,171		0		7,631,171	7,631,171
2	Factory Building	3.17%	30	209,352,591	1,899,318	211,251,909	57,787,791	6,403,568	64,191,359	151,564,800	147,060,550
3	Office Building	1.63%	60	702,610		702,610	194,009	10,761	204,770	508,601	497,840
4	Office Building (Ho)	1.63%	60	1,065,670		1,065,670	190,145	16,445	206,590	875,525	859,080
5	Staff Quarters	1.63%	60	1,712,841		1,712,841	511,704	26,170	537,874	1,201,137	1,174,967
6	Plant & Machinery	3.80%	25	758,972,774	14,968,569	773,941,343	268,264,563	25,702,275	293,966,838	490,708,211	479,974,505
7	Furniture & Fixture	9.50%	10	3,327,338	35,678	3,363,016	2,140,649	323,072	2,463,721	1,186,689	899,295
8	Office Equipment	3.80%	25	1,002,474		1,002,474	576,400	21,755	598,155	426,074	404,319
9	Computers	31.67%	3	1,859,934	47,226	1,907,161	1,769,716	31,846	1,801,562	90,219	105,599
10	Boiler	3.80%	25	12,059,151		12,059,151	8,084,360	288,649	8,373,009	3,974,791	3,686,142
11	Captive Power Plant	3.80%	25	201,377,144		201,377,144	67,422,412	6,610,346	74,032,758	133,954,732	127,344,386
12	Water Supply Equipments	3.80%	25	252,811		252,811	240,170	3,001	243,171	12,641	9,640
13	Fire Fighting Equipments	3.80%	25	214,497		214,497	119,066	5,989	125,055	95,431	89,442
14	Effluent Treatment	3.80%	25	26,077,357		26,077,357	10,800,055	1,116,057	11,916,112	15,277,302	14,161,245
15	Electrical Installation	3.80%	25	120,371,331		120,371,331	39,666,579	4,172,805	43,839,384	80,704,752	76,531,947
16	Crane,Weigh bridge, Workshop Equip.	3.80%	25	24,831,502		24,831,502	7,949,162	859,799	8,808,961	16,882,340	16,022,541
17	Vehicles	9.50%	10	22,151,280	753,133	22,904,413	15,800,779	1,371,168	17,171,947	6,350,501	5,732,466
	Total			1,401,535,521	17,703,925	1,419,239,446	482,329,747	47,053,949	529,383,696	919,205,774	889,855,750



## MALU PAPER MILLS LIMITED

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

### PROXY FORM

#### ANNUAL GENERAL MEETING 2015-16

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-third Annual General Meeting of the Company to  
be held at **Heera Plaza, 4<sup>th</sup> Floor, Near Telephone Exchange, Central Avenue, Nagpur – 440 008**  
on Saturday, the 24<sup>th</sup> day of September, 2016 at 3.00 PM and at any adjournment thereof.

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Affix Re.1  
Revenue  
Stamp

**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

