

Date: 20-09-2017

To,
BSE Ltd.
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Ref: Scrip Code: 533166

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
BKC, Bandra (E), Mumbai- 400 051
Ref: Symbol: SUNDARAM

Dear Sir,

Sub: Submission of Annual Report for Financial Year 2016-17.

Pursuant to the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 we hereby submit the Annual Report for Financial Year 2016-17 duly approved & adopted by the Shareholders in the Twenty Third Annual General Meeting of the Company held on Friday, September 15, 2017.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,
For **Sundaram Multi Pap Limited**

B.s.chheda

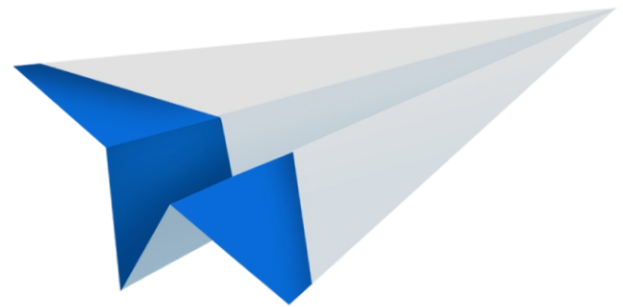
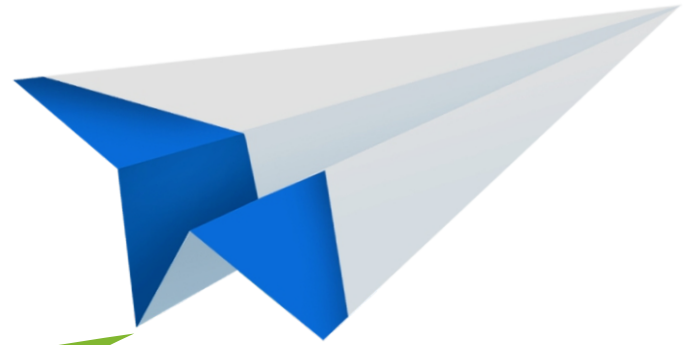
Bhavesh Chheda
Company Secretary & Compliance Officer





Books for Success...

EDUCATION
AND INNOVATION



23rd ANNUAL REPORT
2016 - 2017

Sundaram Multi Pap Limited
Paper Stationery, Digital Education

BOARD OF DIRECTORS

Mr. Amrut P. Shah
(Chairman & Managing Director)

Mr. Shantilal P. Shah
(Whole-Time Director)

Mr. Krunal S. Shah
(Additional Director, Executive) (w.e.f. 08-08-2017)

Mr. Manikandam P. Kammenchery
(Independent Director)

Mr. Kaushal R. Sheth
(Independent Director)

Ms. Minjal V. Kadakia
(Independent Director)

Mr. Rajesh B. Jain
(Chief Financial Officer)

Mr. Bhavesh Chheda
(Company Secretary) (w.e.f. 07-03-2017)

Mr. Manik R. Makwana
(Company Secretary) (upto 24-02-2017)

Auditors

M/s Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai

Education Business Advisor

Mr. Krishan Khanna, Founder & Trustee of I-Watch

Bankers

State Bank of India Ltd.
IDBI Bank Ltd.

Registered Office

5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai- 400 093, India

Plant

P.I.D.C.O., Mahim Village, Palghar, Dist. Palghar, Maharashtra, India

Paper Unit

Village Sihora, P.O. Khandelwal Nagar, Kanhan – 441 401, Tah. Parseoni, Dist. Nagpur (M.S.), India

Registrar and Share Transfer Agent

M/s Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Ind. Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072, India

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of **Sundaram Multi Pap Limited** will be held on Friday, September 15, 2017 at 10.30 a.m. at Chatwani Baug Hall, 1st Floor, 7, Gokhle Road, Near Vile Parle Station, Vile Parle East, Mumbai: 400057 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Annual Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon; and (b) the Annual Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon and in this regard, pass the following resolution(s) as an **Ordinary Resolution(s)**:

A. "RESOLVED THAT the Annual Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before the Meeting, be and are hereby considered and adopted."

B. "RESOLVED THAT the Annual Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon laid before the Meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Shantilal P. Shah (DIN: 00033182), who retires by rotation and being eligible has offered himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and applicable provisions of the Articles of Association of the Company, Mr. Shantilal P. Shah (DIN: 00033182), who retires by rotation at the Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed and that the terms and conditions of his appointment as Whole-time Director of the Company as approved by the members in their meeting held on September 30, 2015 shall remain unchanged."

3. To reappoint Statutory Auditors of the Company, and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company and pursuant to the resolution passed by the members at the AGM held on September 30, 2014, M/s Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. W100100), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting hereafter, at

such remuneration plus applicable tax, out of pocket expenses and travelling expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To give prior approval for the Proposed Material Related Party transactions for the period from October 01, 2017 to September 30, 2022 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for time being in force) and subject to such other approvals, consent of the Shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include a Committee constituted by the Board or any person(s) authorized by the Board) to enter into Material Related Party transaction(s) with the following Related Party on arm's length basis for the maximum amount of ₹ 500.00 Cores during the period from the period from October 01, 2017 to September 30, 2022, with respective Related Parties and maximum amount per annum, as mentioned herein below

| Name of Related Parties | Relationship | Nature of Transaction | Expected Annual Value of Transaction |
|---|--|---|--------------------------------------|
| 1. E-Class Education System Limited; 2. Amrut P. Shah; 3. Shantilal P. Shah; 4. Raichand P. Shah; 5. Hardik A. Shah; 6. Vimla A. Shah; 7. Riddhi C. Gala; 8. Nayna S. Shah; 9. Krunal S. Shah; 10. Divij S. Shah; 11. Amrut P. Shah HUF; 12. Shantilal P. Shah HUF; 13. Raichand P. Shah HUF; | 1. Wholly Owned Subsidiary; 2. Chairman & Managing Director; 3. Whole-time Director 4. Plant Manager (Relative of Director) 5. Relative of Director; 6. Relative of Director; 7. Relative of Director; 8. Relative of Director; 9. Relative of Director; 10. Relative of Director; 11. Directors is Karta; 12. Director is Karta; 13. Relative of Director is Karta; | ➤ Loan Transaction (not falling under loan to Directors); ➤ sale, purchase or supply of any goods or materials or Services; ➤ selling or otherwise disposing of, or buying, property of any kind; ➤ leasing of property of any kind; ➤ availing or rendering of any services; ➤ Related Party's appointment to any office or place of profit in the company, its Subsidiary Company or Associate Company; ➤ Commission; ➤ Remuneration; ➤ Transfer of resources, services or obligations between a Company and a Related Party. | ₹. 100.00 Crores |

RESOLVED FURTHER THAT the Board of Directors (the "Board") and/or any Committee thereof be and is hereby authorized to negotiate and finalize other terms & conditions and to do all such acts, things or deeds and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary,

relevant, usual, customary and/or expedient to giving effect to the above resolution.”

5. To re-appoint Mr. Amrut P. Shah (DIN: 00033120) as the Managing Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 179, 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V thereto and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of the Articles of Association of the Company and subject to consent, approval, permissions of necessary authorities to the extent applicable and required and subject to such other modifications, recommendations as may be prescribed or imposed by them while granting such approval, permissions, consents, which may be agreed by the Board of Directors or Committees thereof and as per the recommendation of Nomination & Remuneration Committee and Board of Directors, Mr. Amrut P. Shah (DIN: 00033120), be and is hereby re-appointed as the Managing Director of the Company with effect from April 01, 2018 for a period of three years, not liable to retire by rotation, on a remuneration not exceeding ₹ 168 lacs p.a. and on other terms and conditions as set below:

➤ **Designation:** Managing Director

➤ **Tenure:** April 01, 2018 to March 31, 2021 for a period of three years, not liable to retire by rotation.

➤ **Remuneration:**

Basic Pay: Not exceeding ₹ 168 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

➤ **General Terms:**

Mr. Amrut P. Shah, Managing Director shall be vested with majority of the powers of the Board as per the agreement entered into between Company and Mr. Amrut P. Shah.

1. Where in any financial year, during the currency of tenure of the Managing Director, the Company has adequate profits the

Managing Director will be paid remuneration subject to the limits of 5% of the net profits, as the case may be, and the overall limits of 11% of the net profits as laid down in sub-Section (1) of Section 197 of the Companies Act, 2013 and in case of no profit or inadequacy of profit the remuneration shall be within the limit specified in the Schedule V of the Companies Act, 2013.

2. The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to do all such acts, deeds, matters, and things as it may in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

6. To re-appoint Mr. Shantilal P. Shah (DIN: 00033182) as the Whole-time Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 179, 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V thereto and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of the Articles of Association of the Company and subject to consent, approval, permissions of necessary authorities to the extent applicable and required and subject to such other modifications, recommendations as may be prescribed or imposed by them while granting such approval, permissions, consents, which may be agreed by the Board of Directors or Committees thereof and as per the recommendation of Nomination & Remuneration Committee and Board of Directors, Mr. Shantilal P. Shah (DIN: 00033182), be and is hereby re-appointed as the Whole-time Director of the Company with effect from April 01, 2018 for a period of three years, liable to retire by rotation, on a remuneration not exceeding ₹ 168 lacs p.a. and on other terms and conditions as set below:

➤ **Designation:** Whole-time Director

➤ **Tenure:** April 01, 2018 to March 31, 2021 for a period of three years, liable to retire by rotation.

➤ **Remuneration:**

Basic Pay: Not exceeding ₹ 168 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

➤ General Terms:

Mr. Shantilal P. Shah, Whole-Time Director shall handle the Marketing and Public Relation with the clients of the Company and Media.

1. Where in any financial year, during the currency of tenure of the Whole Time Director, the Company has adequate profits the Whole Time Director will be paid remuneration subject to the limits of 5% of the net profits, as the case may be, and the overall limits of 11% of the net profits as laid down in sub-Section (1) of Section 197 of the Companies Act, 2013 and in case of no profit or inadequacy of profit the remuneration shall be within the limit specified in the Schedule V of the Companies Act, 2013.

2. The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to do all such acts, deeds, matters, and things as it may in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution."

7. To approve the revision in the remuneration of Mr. Amrut P. Shah (DIN: 00033120) Managing Director of the company and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) ("the Act") and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, and in supersession of the approval accorded by the Members at the Annual General Meeting held on September 30, 2015, the Company hereby accords its approval for the payment of the following remuneration to Mr. Amrut P. Shah, Chairman & Managing Director, for the financial year 2017-18, which is within the limit of remuneration, computed as per Section II of Part II of Schedule V of the Companies Act, 2013:

Basic Pay: Not exceeding ₹ 84.00 Lacs for Financial Year 2017-18 (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable

under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company, as approved earlier shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in this respect."

8. To approve the revision in the remuneration of Mr. Shantilal P. Shah (DIN: 00033182) Whole-time Director of the company and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) ("the Act") and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, and in supersession of the approval accorded by the Members at the Annual General Meeting held on September 30, 2015, the Company hereby accords its approval for the payment of the following remuneration to Mr. Shantilal P. Shah, Whole-time Director, for the financial year 2017-18, which is within the limit of remuneration, computed as per Section II of Part II of Schedule V of the Companies Act, 2013:

Basic Pay: Not Exceeding ₹ 84.00 Lacs for Financial Year 2017-18 (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Whole-Time Director of the Company, as approved earlier shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in this respect.”

9. To regularize the appointment of Mr. Krunal S. Shah (DIN: 07877986) as the Whole-time Director and to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 149, 152, 160, 161, 179, 188, 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V thereto and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of the Articles of Association of the Company and subject to consent, approval, permissions of necessary authorities to the extent applicable and required and subject to such other modifications, recommendations as may be prescribed or imposed by them while granting such approval, permissions, consents, which may be agreed by the Board of Directors or Committees thereof and as per the recommendation of Nomination & Remuneration Committee and Board of Directors, Mr. Krunal S. Shah (DIN: 07877986), who was appointed as Additional Director (Executive) by the Board of Directors in their Meeting held on August 08, 2017, and who holds the office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Krunal S. Shah (DIN: 07877986) as a candidate for the office of a Whole-time Director of the Company, be and is hereby appointed as Whole-time Director of the Company for a period up to March 31, 2021, liable to retire by rotation, on a remuneration not exceeding ₹ 84.00 lacs p.a., subject to revision of remuneration after three years, and on other terms and conditions as set below:

- **Designation:** Whole-time Director
- **Tenure:** Up to March 31, 2021, liable to retire by rotation.
- **Remuneration:**

Basic Pay: Not exceeding ₹ 84.00 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

➤ **General Terms:**

Mr. Krunal S. Shah, Whole-Time Director shall handle the Marketing and Business Management.

1. Where in any financial year, during the currency of tenure of the Whole Time Director, the Company has adequate profits the Whole Time Director will be paid remuneration subject to the limits of 5% of the net profits, as the case may be, and the overall limits of 11% of the net profits as laid down in sub-Section (1) of Section 197 of the Companies Act, 2013 and in case of no profit or inadequacy of profit the remuneration shall be within the limit specified in the Schedule V of the Companies Act, 2013.

2. The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to do all such acts, deeds, matters, and things as it may in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

10. To Increase the authorized share capital of the company and consequent alteration to the capital clause in the memorandum of association to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13 sub-section (1), read with Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the relevant rules framed there under and in accordance with the provisions of the Articles of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from the existing ₹ 27,00,00,000/- (Rupees Twenty Seven Crore) divided into 27,00,00,000 (Twenty Seven Crore) Equity Shares of face value of ₹ 1/- (Rupee One Only) to ₹ 28,00,00,000/- (Rupees Twenty Eight Crore only) divided into 28,00,00,000 (Twenty Eight Crore) Equity Shares of ₹ 1/- (Rupee one only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of ₹ 1/- (Rupee One Only) each ranking pari passu in all respect with the existing Equity Shares and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be altered and substituted as under:

(V) The Authorized Share Capital of the Company is ₹ 28,00,00,000/- (Rupees Twenty Eight Crore only) divided into 28,00,00,000 (Twenty Eight Crore) Equity Shares of ₹ 1/-

(Rupee one only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, in such manner as may for the time being be provided by the Articles of Association of the Company.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

11. To consider the issue of Securities and if deemed fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 41,42,62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing regulations entered into with the stock exchanges where the Equity Shares of the Company are listed (the “Stock Exchanges”), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 (“ICDR Regulations”), the SEBI (LODR) Regulation 2015, Listing Agreements entered into by the Company with the Stock Exchanges where equity shares of the Company of Face Value ₹ 1/- (Rupee One) each are listed, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the law, rules, regulations, guidelines, notifications and circulars if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, Foreign Investment Promotion Board (“FIPB”), Department of Industrial Policy and Promotion (“DIPP”) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and is hereby authorised on behalf of the Company to create, issue, offer and allot, (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and/or one or more international market(s) with or without a green shoe option, Equity Shares including but not limited to by way of Qualified Institutions Placement (“QIP”) in terms of Chapter VIII of the SEBI ICDR Regulations and/or Equity Shares through depository receipts and/or convertible bonds and/or other

securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/ or securities including non-convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/ or warrants with an option exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares or Global Depository Receipts (“GDRs”) and / or American Depository Receipts (“ADRs”) Convertible into Equity Shares (including the issue and allotment of Equity Shares pursuant to a Green Shoe Option, if any), (all of which are hereinafter collectively referred to as ‘Securities’) to eligible investors under applicable laws, regulations and guidelines (whether residents and/or non-residents and/or institutions/banks and/ or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions and/or individuals and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through placement document and/or prospectus and/or letter of offer or circular and/or on public and/or private/preferential placement basis, such issue and allotment to be made at such time/times, in one or more tranches, for cash, whether rupee denominated or denominated in foreign currency, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, in such manner and where necessary, in consultation with the Book Running Lead Managers / Merchant Bankers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed ₹ 20/- crore (Rupees Twenty Crore) or its equivalent in one or more currencies, including premium if any as may be decided by the Board, to investors as mentioned above.”

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market conditions and other relevant factors so as to enable, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible.

RESOLVED FURTHER THAT the Company and/or any agency or body or person authorised by the Board, may issue depository receipts or certificates representing the underlying Equity Shares in the capital of the Company or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchange(s) in or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or Securities shall be the date on which the Board of the Company (Including Committee of the Board) decides to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be.

RESOLVED FURTHER THAT if any issue of the above Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of such Securities, or any combination thereof, as may be decided by the Board, shall be completed within twelve months from the date of passing of the shareholders' resolution for approving the above said issue of Securities or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event that the Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing ("Relevant date") of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be decided by the Board or permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time, in relation to the proposed issue of the Securities.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities

referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions in that behalf contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any government body, authority or regulatory institution, including any conditions as may be prescribed in granting such approval or permissions by such government authority or regulatory institution, the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any government body, authority or regulatory institution, including any conditions as may be prescribed in granting such approval or permissions by such government authority or regulatory institution, the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including but not limited to determination of the terms thereof, the finalization and approval of the preliminary as well as final offer document(s)/ placement document/ offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the above Securities are to be issued and allotted, number of such Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/ conversion/ exercise/ redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto, execution of various agreements, deeds, instruments and other documents, creation of mortgage/ charge in accordance with the provisions of the Act in respect of any Securities as may be required, , and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the merchant bankers, or other

authorities or agencies involved in or concerned with the issue of Securities and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or such committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage / appoint the merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents etc. with such agencies and to seek the listing of such Securities on one or more stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any Committee of Directors or to the Managing Director or any whole-time Director or directors or any other officer(s) of the Company to give effect to the aforesaid resolutions”

**By Order of the Board of Directors
For Sundaram Multi Pap Limited**

Bhavesh Chheda
Company Secretary

Place: Mumbai
Date: August 08, 2017

Registered Office:
5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai - 400 093, Maharashtra, India.
CIN: L21098MH1995PLC086337;
E-mail: info@sundaramgroups.in;

Notes:

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses under Item Nos. 4 to 11 of the accompanying Notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.

3. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.

4. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than FORTY-EIGHT (48) HOURS before the commencement of the meeting. A proxy form for the AGM is enclosed.

5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the company.

6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue.

7. All the Statutory Registers required to be maintained under the provisions of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) during business hours up to the date of this Annual General Meeting ("AGM") and also at the AGM.

9. The Register of Members and the Share Transfer Book shall be closed from Saturday, September 09, 2017 to Friday, September 15, 2017 (both day inclusive)

10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Company or Registrar and Transfer Agents (RTA).

11. Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Sharex Dynamics (India) Private Limited, Unit No. 1,

Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072.

12. With a view to using the natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communications electronically.

13. Electronic copy of the Notice of AGM and Annual Report for FY 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2016-17 are being sent in the permitted mode. Members are requested to support Green initiative by registering/updating their e-mail addresses with the Depository participant (in case of shares in dematerialized form) or with M/s Sharex Dynamic (India) Private Limited (in case of Shares held in physical form).

14. Members may also note that the Annual report (including the Notice of 23rd AGM) for 2016-17 will be available on the Company's website at www.sundaramgroups.in. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days, except Saturday. Members who require communication in physical form in addition to e-communication or have any queries, may write to us at info@sundaramgroups.in.

15. Additional information, pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice of AGM. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.

16. The Company has transferred the unpaid or unclaimed dividends declared up to Financial Years 2008-09, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th August 2016 (date of last Annual General Meeting) on the website of the Company at www.sundaramgroups.in as also on the website of the Ministry of Corporate Affairs. The unclaimed dividend amount pertaining to Dividend for the year 2009-10 will be due for transfer to the Investor Education and Protection Fund of the Central Government on October 06, 2017.

17. Further Board also informs that pursuant to the provisions of Section 124 of the Companies Act, 2013, those shares on which dividend has not been claimed since last seven years will be transferred to IEPF Account. Intimation letters for the same has been already sent by Company to those shareholders on their registered address, who have not claimed their dividend

since last seven years. Also advertisement for the same was published by the Company in the newspaper.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent / Company.

19. Members holding shares in single name and physical form may obtain Nomination Forms from the Company's Registrar and Transfer Agents. Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.

20. The members holding shares in the same name or in the same order of names, under different folios, are requested to notify the relevant details of the said holdings to M/s Sharex Dynamic (India) Private Limited for consolidation of their shareholding in to a single folio.

21. In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

22. Non-Resident Indian Members are requested to inform RTA, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.

23. Information and other instructions relating to e-voting are as under:

a) Pursuant to the provisions 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, 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').

b) The facility for voting either through ballot form / polling paper shall also be made available at the venue of the AGM. The members who are attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting.

c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again

d) The Company has engaged the services of Central Depository Services Limited (CDSL) as the agency to provide e-voting facility.

e) The Board of Directors of the Company has appointed Ms.

Amisha V. Shah, Proprietor of M/s. A. V. Shah & Associates, Practicing Company Secretary, Mumbai as the Scrutinizer to act as Scrutinizer to scrutinize entire voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.

f) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 08, 2017.

g) 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 i.e. September 08, 2017, only shall be entitled to avail the facility of remote e-voting / Poll.

The instructions for shareholders voting electronically are as under:

(I) The voting period begins on September 12, 2017 at 11.00 a.m. and ends on September 14, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 08, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members holding shares in physical or in demat form as on September 08, 2017, shall only be eligible for e-voting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com

(iv) Click on Shareholders/Members.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

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

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for "Sundaram Multi Pap Limited" on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on website of CDSL e-Voting www.evotingindia.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statement sets out the material facts relating to the Special Business under item No. 4 to 11 of the accompanying Notice dated August 08, 2017.

ITEM NO. 4:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 and provisions of Regulation 23 of SEBI (LODR) Regulations, 2015 that govern the Related Party Transactions, requires that for Material Related Party Transaction Company must obtain prior approval of the Shareholders by way of a Resolution, in case the threshold limits are exceeded.

In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of SEBI (LODR) 2015, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

| Name of Related Parties | Relationship | Nature of Transaction | Expected Annual Value of Transaction |
|---|--|---|---|
| 1. E-Class Education System Limited; 2. Amrut P. Shah; 3. Shantilal P. Shah; 4. Raichand P. Shah; 5. Hardik A. Shah; 6. Vimla A. Shah; 7. Riddhi C. Gala; 8. Nayna S. Shah; 9. Krunal S. Shah; 10. Divij S. Shah; 11. Amrut P. Shah HUF; 12. Shantilal P. Shah HUF; 13. Raichand P. Shah HUF; | 1. Wholly Owned Subsidiary; 2. Chairman & Managing Director; 3. Whole-time Director 4. Plant Manager (Relative of Director) 5. Relative of Director; 6. Relative of Director; 7. Relative of Director; 8. Relative of Director; 9. Relative of Director; 10. Relative of Director; 11. Directors is Karta; 12. Director is Karta; 13. Relative of Director is Karta; | ➤ Loan Transaction (not falling under loan to Directors); ➤ sale, purchase or supply of any goods or materials or Services; ➤ selling or otherwise disposing of, or buying, property of any kind; ➤ leasing of property of any kind; ➤ availing or rendering of any services; ➤ Related Party's appointment to any office or place of profit in the company, its Subsidiary Company or Associate Company; ➤ Commission; ➤ Remuneration; ➤ Transfer of resources, services or obligations between a Company and a Related Party. | ₹. 100.00 Crores |

Members are hereby informed that no members of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party. The Directors recommend the Item No. 4 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Amrut P. Shah & Mr. Shantilal P. Shah & Mr. Krunal S. Shah (and their Relatives) is in any way, concerned or interested, financially or otherwise, in the proposed special resolution except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 5:

Mr. Amrut P. Shah (DIN: 00033120) was reappointed as the Managing Director of the Company by the Board in its meeting held on March 30, 2015 for period of three years w.e.f. April 01, 2015. Thus, his tenure as Managing Director of the Company is effective till March 31, 2018. Pursuant to the provisions of Section 196 of the Companies Act 2013, Managing Director can be reappointed prior to expiry of his term provided such reappointment shall not be made prior to one year before the expiry of his term. Subject to the necessary approvals, and on recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 08, 2017 has re-appointed Mr. Amrut P. Shah as Managing Director of the Company with effect from April 01, 2018 for period of three years i.e. till March 31, 2021 on such terms and conditions including remuneration as set out in the agreement entered into on August 08, 2017 between the Company and Mr. Amrut P. Shah which are as follows:

1. This agreement will be effective from April 01, 2018.
2. Mr. Amrut P. Shah agrees to serve the Company as its Managing Director.
3. Mr. Amrut P. Shah will work under the superintendence, control and direction of the Board of the Company.
4. Mr. Amrut P. Shah is entrusted with substantial powers of management of the affairs of the Company except the powers which the Act or the Articles require to be exercised by the Board.
5. Without restricting the general powers of management as mentioned above, Mr. Amrut P. Shah shall exercise the following powers on behalf of the Company:
 - a. To manage, conduct and transact all the business, affairs and operations of the Company including power to enter into contracts and to vary and rescind them;
 - b. To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts, and all other documents or writings on behalf of the Company not required to be executed under its common seal or not otherwise provided for in the Articles of Association of the Company;
 - c. To make, sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all Cheques, Bills of Exchanges, Drafts, Hundies, Promissory Notes, Dock-Warrants, Delivery Orders, Railway Receipts, Bills of lading and other Mercantile Documents and other Negotiable Instruments and securities;
 - d. To become party to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds, instruments, Contracts, Agreements, receipts and all other documents whatsoever;
 - e. To institute, defend, prosecute, conduct, compound refer to arbitration and abandon and to compromise legal or other proceedings, claims and disputes by or against the Company or in which the Company may be concerned or interested;
 - f. To receive and to give effectual receipts and discharges of moneys, funds, goods or property payable to or to be received by the Company;
 - g. To convene meetings of the Board of Directors, Committees, Sub-Committees of Directors, if any, and the Ordinary or Extra-Ordinary General Meetings of the Shareholders;
 - h. Subject to the provisions of Section 179 and 180 of the Act, within such limits of price which the Board may from time-to-time prescribe, to purchase, pay for, acquire, sell, repurchase, import and export all machinery and plant;
 - i. To purchase, pay for, acquire, sell, resell, repurchase and import raw materials, articles, stores, appliances, apparatus and all other materials and things necessary or expedient for the day-to-day working of the Company either for cash or credit and either for present or future delivery as also to export the products of the Company;
 - j. To build, construct, erect and maintain, pull down, demolish and reconstruct warehouses, factories, offices, workshops and

all other buildings for manufacturing, storing and otherwise dealing with the Company's properties, articles or things or for the purpose of the trade or business of the Company;

k. To make advances upon or for the purchase of goods and all other articles required for the purposes of the Company upon such terms as the Managing Director think fit;

l. Subject to the provisions of the Act and subject to the provisions of any agreement at the time in force between the Company and any person, to appoint agents, sub-agents, distributors, at such place or places as the Managing Director think fit or necessary, to sell or otherwise dispose of the Company's properties, articles or things or products and on such terms and conditions as the Managing director think fit;

m. To raise or borrow (otherwise than by debentures) from time-to-time in the name or otherwise on behalf of the Company by not exceeding the total amount specified by the Board from time to time, such sum or sums of money as the Managing Director may think expedient;

n. To acquire with the approval of the Directors and within such limits of price as they may from time-to-time prescribe on lease by purchase, exchange or otherwise howsoever for the purposes of the Company, properties, buildings, lands, premises, etc. for factories, workshops, offices, showrooms, stores, machinery, etc. of the Company;

o. To insure and keep insured Company's properties, buildings, machinery, moveable or immovable either lying in the godowns, showrooms, or offices, or in the workshops or factories or elsewhere or in transit for import against loss or damage by fire or other risks to such amount and for such period as the Managing director may deem proper and to sell, assign, surrender or dis-continue any of the insurances effected in pursuance of this power;

p. Subject to the provisions of Section 179 and 186 of the Act and when so authorized by the Board and within the limits from time-to-time fixed by the Board, to invest and deal with the monies of the Company not immediately required, upon such investments of such nature as may be specified by the Board from time-to-time or to deposit the same with banks, shroffs or persons and from time-to-time to realize and vary such investments;

q. Subject to the provisions of Section 179 and 186 of the Act and when so authorized by the Board and within the limits from time-to-time fixed by the Board to make loans for such purposes as may be specified by the Board from time-to-time;

r. To operate upon and open accounts current, fixed or otherwise with any bank or bankers, merchant or merchants or with any Company or Companies, firm or firms, individual or individuals and to pay monies into and to draw monies from any such account or accounts from time-to time as the Managing Director may think fit;

s. To attend and vote at all meetings in all bankruptcy, insolvency and liquidation or other proceedings in which the Company may be interested or concerned;

t. To appoint or employ for the Company's transactions and

management of affairs and from time-to-time to discharge or remove or suspend or re-appoint and re-employ or replace managers, officers, clerks, workmen, employees and other members of the staff of the Company, bankers, all kinds of agents, brokers, advocates, barristers, solicitors, pleaders, lawyers, mechanics, engineers, merchants, retail and wholesale commission dealers, muddams, technicians and experts with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as the Managing Director may deem fit;

u. To incur from time-to-time subject nevertheless to the provisions of the Act, such expenses and to lay out such sum or sums of money as the Managing Director may deem expedient for the offices or the establishments of the Company and for the purpose of maintaining and carrying on the works and business of the Company as he may think fit;

v. From time-to-time, provide by the appointment of any attorney or attorneys, or officer or officers for management and transaction of the affairs of the Company generally or in specified locality or district or province or state;

w. and generally to make all such arrangements and to do all acts, deeds, matters and things on behalf of the Company as may be usual, necessary or expedient in the conduct and management of business and as are not by the Act or by the Memorandum and Articles of Association expressly require to be done by the Company in general meeting by the Board.

6. Mr. Amrut P. Shah may hold office as Managing Director of the Company for three (3) years starting from April 01, 2018 till March 31, 2021, except terminated as per point no.7, which may be renewed from time to time as per the discretion of the Board.

7. The Company or Mr. Amrut P. Shah may bring to an end this Agreement before his term is over by giving a notice of the intention to terminate it at least 3 Months before the date on which the termination is come into effect. If such notice is given, the agreement will come to an end when 3 months' notice period is over.

8. Mr. Amrut P. Shah must devote his full time and attention to the Company's business.

9. Mr. Amrut P. Shah must always comply with the directions given and regulations made by the Board and he will faithfully serve the Company and use his best endeavours to promote its interests.

10. For the services provided, the Company will pay Mr. Amrut P. Shah the salary of not exceeding ₹ 168 lacs p.a. which will be as under:

Remuneration:

Basic Pay: ₹ 168 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

11. While he holds the office of Managing Director or at any time thereafter, Mr. Amrut P. Shah will not reveal to any person, or use for his own or somebody else's benefit, any confidential information concerning Company's business or affairs or any trade secrets or processes of the Company. Mr. Amrut P. Shah shall, while he holds the office of the Managing Director, also use his best endeavours to prevent any other person from doing so.

12. Mr. Amrut P. Shah will not engage himself in any business which will directly compete with the business of the Company while he holds the office of the Managing Director or at any, thereafter for 3 (three) years.

13. Where any controversy, dispute or disagreement arises between the Managing Director and the Company as to the interpretation or application of any of the terms, conditions, requirements or obligation under this Agreement or the performance hereof which the Parties are unable to resolve by agreement, the Parties hereby agree to refer the controversy, dispute or disagreement to arbitration in accordance with Arbitration and Conciliation Act, 1996. All arbitration proceedings shall be conducted in English and the venue for conducting such proceedings shall be at Mumbai.

ITEM NO. 6:

Mr. Shantilal P. Shah (DIN: 00033182) was appointed as the Whole time Director of the Company by the Board in its meeting held on March 30, 2015 for period of three years w.e.f. April 01, 2015. Thus, his tenure as Whole-time Director of the Company is effective till March 31, 2018. Pursuant to the provisions of Section 196 of the Companies Act 2013, Whole-time Director can be reappointed prior to expiry of his term provided such reappointment shall not be made prior to one year before the expiry of his term. Subject to the necessary approvals and on recommendation of the Nomination and Remuneration Committee, the Board of Directors, in their meeting held on August 08, 2017 has re-reappointed Mr. Shantilal P. Shah as Whole time Director of the Company with effect from April 01, 2018 for period of three years i.e. till March 31, 2021 on such terms and conditions including remuneration as set out in the Letter of Appointment dated August 08, 2017 which are as follows in brief:

Duration of Appointment:

The re-appointment is for an initial term of Three years commencing from April 01, 2018 till March 31, 2021 (liable to retire by rotation).

Designation:

He will be designated as Whole-Time Director as well as Key Managerial Personnel of the Company.

Role on the Board:

He is re-appointed as Whole Time Director to:

1. To handle the Marketing and Public Relation with the clients of the Company and Media.
2. To effectively represent, and promote the interests of, shareholders with a view to adding long-term value to the Company's shares.
3. To ensure that the Company's goals are clearly established, and that strategies are in place for achieving them.
4. To establish in consultation with the board and its committee, policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products, designs and the development of its business capital;
5. To ensure that the Company adheres to high standards of ethics and corporate behaviour;

Remuneration:

- Remuneration of not exceeding ₹ 168 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)
- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.
- Encashment of leave at the end the tenure.
- Where in any financial year, during the currency of tenure of the Whole Time Director, the Company has adequate profits the Whole Time Director will be paid remuneration subject to the limits of 5% of the net profits, as the case may be, and the overall limits of 11% of the net profits as laid down in sub-section (1) of Section 197 of the Companies Act, 2013 and in case of no profit or inadequacy of profit the remuneration shall be within the limit specified in the Schedule V of the Companies Act, 2013.
- The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment.
- The term and conditions of the appointment may be altered and varied from time to time by the Board in consultation with the Nomination & Remuneration Committee, in its discretion and deem fit in accordance with the limit specified in Schedule V to the Companies Act, 2013 or any amendment made thereafter in this regard.

Termination:

The appointment may be terminated by either party by giving one month notice or the Company paying one month salary in lieu of the notice. If at any time the Whole Time Director ceases to be a Director of the Company for any cause whatsoever he shall cease to be the Whole Time Director of the Company.

ITEM NO. 7 & 8:

Mr. Amrut P. Shah & Mr. Shantilal P. Shah was re-appointed as the Managing Director & Whole-time Director of the Company respectively, for a period of 3 years with effect from April 1, 2015, including terms of remuneration for a period of 3 years (i.e. April 1, 2015 to March 31, 2018), in accordance with the approval accorded by the members, at the Annual General Meeting of the Company held on September 30, 2015.

Pursuant to the approval of the Nomination and Remuneration Committee (NRC) and the Board at their respective meetings held on March 30, 2015, the following remuneration was approved for Mr. Amrut P. Shah & Mr. Shantilal P. Shah in accordance with the limit of remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013 and the same was also approved by the Members of the Company at the Annual General Meeting of the Company held on September 30, 2015.

Remuneration:

Basic Pay: ₹ 42.00 lacs p.a. each (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.
3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

Thereafter in line with the amendment to Schedule V of the Companies Act, 2013 vide Notification dated September 12, 2016, issued by the Ministry of Corporate Affairs (MCA), in relation to the limit of managerial remuneration payable as per Section II of Part II of Schedule V of the Companies Act, 2013, the NRC and the Board at their respective meetings held on August 08, 2017, had approved the revised managerial remuneration payable to Mr. Amrut P. Shah & Mr. Shantilal P. Shah for FY 2017-18 as under, subject to necessary approval from the Members of the Company.

Remuneration:

Basic Pay: Not More than ₹ 84.00 lacs p.a. (will be paid exclusive of the perquisites, as mentioned below, which shall not be included in the computation of ceiling stated herein.)

Allowance & Perquisite:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and is not taxable under the Income-tax Act, 1961.

3. Encashment of leave at the end the tenure.

Increments: Increments may be given subject to the overall limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

The present term of contract of Mr. Amrut P. Shah & Mr. Shantilal P. Shah as Managing Director & Whole-time Director respectively of the Company is up to March 31, 2018. The Nomination and Remuneration Committee (NRC) and the Board at their respective meetings held on August 08, 2017, have approved the said remuneration for Mr. Amrut P. Shah & Mr. Shantilal P. Shah, for the remainder term from April 1, 2017 to March 31, 2018, in accordance with the limit of remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013, which computation has been based on the Effective Capital of the Company as on March 31, 2017 pursuant to the explanation provided in Section IV of Schedule V of the Companies Act, 2013, subject to necessary approval from the Members of the Company.

Section 197 read with Section II of Part II of Schedule V to the Companies Act 2013 ('Act'), inter alia, necessitates the Company to comply inter alia with the conditions stipulated thereunder including seeking approval from the Members by way of a special resolution for payment of remuneration for a period not exceeding three years for payment of managerial remuneration by the Company, if in any financial year, during the currency of the tenure of a managerial person, it has no profits or its profits are inadequate. Further as per Schedule V of the Act, the limit of remuneration can be exactly doubled subject to special resolution by the Members.

In terms of compliance, inter alia, with the conditions stipulated in Section II of Part II of Schedule V to the Act, requisite information has been furnished for Item Nos. 5 to 9 together, after the explanatory statement for Item No. 9.

As the payment of remuneration to Mr. Amrut P. Shah & Mr. Shantilal P. Shah, Managing Director & Whole-time Director respectively for the financial year 2017-18 is within the limit of remuneration, as laid down in Schedule V to the Act, Members approval vide Special Resolutions is sought for payment of the aforesaid remuneration for the respective financial year as specified in the resolutions at Item Nos. 7 & 8 in accordance with Schedule V of the Act.

The Board of Directors of the Company felt that considering the rich experience and contribution of Mr. Amrut P. Shah & Mr. Shantilal P. Shah, Managing Director & Whole-time Director respectively to the sustained growth of the Company from time to time and considering the multi-faceted responsibilities shouldered by them and the industry benchmarks, the aforementioned remuneration payable to Mr. Amrut P. Shah & Mr. Shantilal P. Shah, Managing Director & Whole-time Director respectively, although not commensurate with the remuneration package paid to similarly placed persons, in other Companies in the same Industry, is as per the limit of

remuneration payable in accordance with the Act and therefore recommend the resolutions at Item Nos. 7 & 8 of the accompanying notice for your approval.

Mr. Amrut P. Shah & Mr. Shantilal P. Shah, Managing Director & Whole-time Director respectively and their relatives are interested in the Resolution 7 & 8.

ITEM NO. 9:

Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of the Company in ensuing Annual General Meeting, the Board of Directors of the Company, at its meeting held on August 08, 2017 appointed Mr. Krunal S. Shah (DIN: 07877986) as Additional Director (Executive).

Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Mr. Krunal S. Shah (DIN: 07877986) holds office up to the date of this Annual General Meeting of the Company. The Company has received notice in writing under the provision of Section 160 of the Companies Act, 2013 from a member, along with a deposit of requisite amount proposing the candidature of Mr. Krunal S. Shah (DIN: 07877986) for the office of Whole-time Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Krunal S. Shah (DIN: 07877986) (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-Section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Krunal S. Shah (DIN: 07877986) as a Whole-time Director of the Company for a period up to March 31, 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will be liable to retire by rotation.

In accordance with the provisions of Section 196, 197 and 203 of the Companies Act, 2013, Mr. Krunal S. Shah (DIN: 07877986) is appointed as Whole-time Director and Key Managerial Personnel for a period up to March 31, 2021, including payment of an overall remuneration not exceeding ₹ 84 Lacs p.a. to Mr. Krunal S. Shah, w.e.f. August 08, 2017 subject to revision after three years.

In accordance with Schedule V of the Companies Act, 2013, the managerial remuneration payable to Mr. Krunal S. Shah is stated in the Resolution No. 9 of the Notice.

The terms and conditions of his remuneration may be revised, amended, altered and / or varied from time to time by the Board and / or Nomination and Remuneration Committee in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the

concerned authority, if any, while according approvals, if any. In accordance with Section 196, 197 read with Schedule V to the Act, Members approval vide Special Resolution is sought for the appointment and payment of the aforesaid remuneration per annum to Mr. Krunal S. Shah for a period of three years, subject to the limit of remuneration, as laid down in Schedule V of the Act which is specified in the resolution at Item No. 9

It is clarified that, upon approval of the Members at the ensuing Annual General Meeting, further approval for payment of remuneration to Mr. Krunal Shah shall be sought for the remaining period of his term of appointment in due course of time, in terms of the provisions of the Act.

The draft of the letter of appointment to be issued to Mr. Krunal S. Shah is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company, excluding Saturday, till the date of the Annual General Meeting.

The said Contract may be terminated by either party giving the other party prior one month notice in writing.

The Board of Directors of the Company felt that considering the expertise and immense contribution that would be brought in by Mr. Krunal S. Shah to the business, the aforementioned remuneration payable to him is commensurate with the remuneration package paid to similarly placed persons, in other Companies in the same Industry, subject to the limit of remuneration whenever applicable, in accordance with the Act and therefore recommends the resolution at Item No. 9 of the accompanying notice for your approval.

Mr. Krunal S. Shah & his relatives are interested to the extent of proposed appointment as Whole-time Director and remuneration payable to Mr. Krunal S. Shah under Resolution No. 9. None of the other Directors and/or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

The Company has inadequate profits in the Financial Year 2016-17. As a result the revised / proposed remuneration to Managing Director and Whole-time Director is calculated in the manner provided as per Section 197 (3) and Section II of Part II of Schedule V of the Companies Act, 2013 ("the Act") as mentioned in agenda no. 5 to 9 above. The following additional information as required under further proviso of Section II of Part II of Schedule V of the Act is given below for agenda no. 5 to 9 above:

I. GENERAL INFORMATION:

1. Nature of Industry: Paper and Stationery

2. Date of Commencement of commercial production: March 13, 1995

3. In case of new Company, expected date of Commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: Not Applicable

4. Financial Performance based on given indicators:
As per published audited financial results of the Company

following are the details of financial performance of the Company during last two years: (₹. In lacs)

| Particulars | STANDALONE | |
|--|-----------------|-----------------|
| | 2016-17 | 2015-16 |
| Total Income | 9524.61 | 9631.88 |
| Total Expenses (Excluding Finance Cost) | 8221.94 | 8737.27 |
| Profit / (Loss) before tax | (650.43) | (786.58) |
| Less: Deferred Tax | 217.34 | 144.00 |
| Less: (Excess)/Short Provision for earlier Years | 2.45 | 1.37 |
| Profit / (Loss) after tax | (430.64) | (641.22) |
| EPS | (0.19) | (0.30) |

Currently, the performance of the Company is stable. However, in the event of unforeseen circumstances and conditions beyond the control of the Company, the profitability of the Company may be affected. Barring unforeseen circumstances, it is expected that the Company will perform well in future.

5. Foreign Investments or Collaborations, if any:

The total holdings of Foreign Portfolio Investors as on March 31, 2017 is 833000 Equity shares of ₹ 1/- each constituting 0.34% of the Paid up Equity Share Capital. There is no foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Amrut P. Shah, Chairman & Managing Director (DIN: 00033120):

Mr. Amrut P. Shah, Age 56, Promoter, is the CMD of the Company. He brings with him more than 30 years' experience in the business of paper stationery manufacturing. Though he is SSC qualified he started his career at a tender age of 20 years in the notebook manufacturing and marketing. He is associated with the Company since incorporation i.e. from March 13, 1995 to till date.

Shantilal P. Shah, Whole-time Director (DIN: 00033182):

Mr. Shantilal P. Shah, Age 47, is the Whole-time Director of the Company. Though he is SSC qualified he is a great marketing brain in the paper and stationery industry. He has evolved and developed a unique dealer/retailer network in the form of retail shops in Maharashtra, Gujarat and Goa. He constantly strives to expand the dealer/retail network through personal relationships and innovative schemes of rewarding the dealer achievers. He has put in place the system to gather from this network great deal of market intelligence in terms of customer preference for Sundaram's products vis-à-vis the competitors' products.

Krunal S. Shah, Whole-time Director (DIN: 07877986):

Mr. Krunal S. Shah, age 23, is the Whole-time Director of the Company. He has completed qualification of Masters of Management Studies and Bachelor of Business Administration. He is having good Marketing Brain and Management & Business Administration Skills. His technological expertise helps the Company to conduct its affairs in efficient and cost effective manner.

2. Past Remuneration:

| Financial Year | Salary (p.a) | | |
|----------------|---------------|-------------------|----------------|
| | Amrut P. Shah | Shantilal P. Shah | Krunal S. Shah |
| 2014-15 | ₹ 20,00,000 | ₹ 10,00,000 | NA |
| 2015-16 | ₹ 19,80,000 | ₹ 10,20,000 | NA |
| 2016-17 | ₹ 33,90,000 | ₹ 26,10,000 | NA |

3. Recognition/Awards:

The Sundaram Multi Pap Limited under the Stewardship of Mr. Amrut P. Shah obtained the following recognition/Awards:

| Sr. No. | Awards/Recognition | Issuing Authority | Year |
|---------|--|---|-----------|
| 1 | Certificate of Merit | CAPEXIL | 1997-1998 |
| 2 | Certificate of Merit | CAPEXIL | 1999-2000 |
| 3 | Certificate of Export Recognition | Ministry of Industries, Trade & Commerce, Government of Maharashtra | 1999-2000 |
| 4 | Special Export Award | CAPEXIL | 2000-2001 |
| 5 | Award for Best Export Performance. Category: Regional Award (Konkan Region) | Ministry of Industries, Trade & Commerce, Government of Maharashtra | 2000-2001 |
| 6 | Special Export Award | CAPEXIL | 2001-2002 |
| 7 | Special Export Award | CAPEXIL | 2002-2003 |
| 8 | Special Export Award | CAPEXIL | 2003-2004 |
| 9 | Special Export Award | CAPEXIL | 2004-2005 |
| 10 | Award for Best Export Performance. Category: Regional Award (Konkan Region) | Ministry of Industries, Trade & Commerce, Government of Maharashtra | 2006-2007 |
| 11 | Special Export Award | CAPEXIL | 2009-2010 |

4. Job Profile and Suitability:

Amrut P. Shah:

Mr. Amrut P. Shah is the Managing Director of our Company having more than 3 decades of experience in the industry. He functions under the control, superintendence and direction of the Board of Directors. Apart from the day to day management of the Company, the Board of Directors has entrusted to him the responsibility of successful and timely execution of the Company's expansion projects from time to time.

Shantilal P. Shah:

Mr. Shantilal P. Shah is the Whole-time Director of our Company. He functions under the control, superintendence and direction of the Board of Directors. He has profound knowledge of customer taste and market for the products of the Company. He looks over the overall marketing and distribution network of the Company and makes and executes strategic marketing plans. He is playing major role in planning, financing, administrating, organizing and controlling.

Krunal S. Shah:

Mr. Krunal S. Shah is appointed as Whole-time Director of the Company. He functions under the control, superintendence and direction of the Board of Directors. He has expertise in Marketing, Management & Business Administration and

Technology up-gradations. He looks over Business Management & Administration and Technological advancements in the Company..

5. Remuneration revised / proposed:

Proposed/ Revised remuneration of ₹ 84 lacs p.a. each for FY 2017-18 and proposed remuneration of ₹ 168 lacs p.a. from FY 2018-19 to 2020-21 payable to Mr. Amrut P. Shah & Mr. Shantilal P. Shah, shall be exclusive of perquisites. Other details pertaining to remuneration is given above in resolution and explanatory statement. Remuneration proposed to be paid to Mr. Krunal S. Shah is ₹ 84 lacs p.a. for the period of three year w.e.f. August 08, 2017 which shall be exclusive of perquisites. Other details pertaining to remuneration is given above in resolution and explanatory statement.

6. Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of the position and person:

Amrut P. Shah:

Mr. Amrut P. Shah brings with him almost 3 decades of experience in the business of paper stationery manufacturing. He started his career at a tender age of 20 years in the notebook manufacturing and marketing that provided him the opportunity to understand complete intricacies of this business like sourcing raw materials, complete manufacturing processes like printing, ruling, cutting, folding, pinning, pasting and packing and selling to various retail outlets in and around vicinity. He launched himself as an independent manufacturer in the year 1985 with his brother Mr. Shantilal P. Shah and in very second year of operation achieved three important milestones viz. pioneered the concept of long books, drawing book with laminated cover and the soft cover laminated notebooks. He also has in-depth knowledge of the paper industry that helps the business greatly, paper being the principal raw material. He has built an uncanny relationship with the paper manufacturers over last 30 years which has ensured consistent supplies of the required paper for manufacturing various paper stationery. His all-encompassing knowledge of paper stationery manufacturing business and his successful track record have made him the most respectable figure in the Industry.

Sundaram is strong Brand in Education stationary market in western India for almost 3 decades. In Maharashtra it is one of the top two brands. Mr. Amrut P. Shah strived hard to place our Company in a prominent position and his role since 1995 in turning our Company to one of the reputed and branded paper stationery manufacturing companies in the State of Maharashtra. He has transformed his vision of e-learning by launching 'e-class', through its wholly owned subsidiary i.e. E-class Education System Ltd., which is 100 % syllabus based quality digital animation content for State Board K-10 Segment of Maharashtra State in both English, Marathi and Semi-English medium.

The turnover of our Company, as per the audited accounts, for the year ended 31.03.2017 was ₹ 9434.54 lacs.

There are 126 employees on the payroll as on March 31, 2017. Considering the size of the Company, turnover, growth in the Company's business and the profile of the Managing Director, the proposed remuneration is comparable, if not; lower than the levels prevailing in the industry.

Shantilal P. Shah:

Mr. Shantilal P. Shah brings with him more than 25 years' experience of marketing in paper and stationery industry. He is being associated with the Company since incorporation, However he was inducted on the Board from August 1, 1999. He has made in depth studies of the market for paper and paper stationery products. He has created strong whole seller and retailer channels for the products of the Company.

'Sundaram' is strong Brand in Education stationery market in western India for the last 26 years. In Maharashtra it is one of the top two brands. Mr. Shantilal P. Shah strived hard to create the brand 'SUNDARAM' in the market.

The turnover of our Company, as per the audited accounts, for the year ended 31.03.2017 was ₹ 9434.54 lacs. There are 126 employees on the payroll as on March 31, 2017. Considering the size of the Company, turnover, growth in the Company's business and the profile of the Whole-time Director, the proposed remuneration is comparable, if not; lower than the levels prevailing in the industry.

Krunal S. Shah:

Mr. Krunal S. Shah has good brain in Marketing, Management & Business Administration and Technology up-gradations. He is associated with the business of the Company since long however he is inducted on the Board w.e.f. August 08, 2017.

The turnover of our Company, as per the audited accounts, for the year ended 31.03.2017 was ₹ 9434.54 lacs. There are 126 employees on the payroll as on March 31, 2017. Considering the size of the Company, turnover, growth in the Company's business and the profile of the Whole-time Director, the proposed remuneration is comparable, if not; lower than the levels prevailing in the industry.

7. Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:

Mr. Amrut P. Shah & Mr. Shantilal P. Shah are Brothers and Mr. Krunal S. Shah is son of Mr. Shantilal P. Shah. They do not have any other pecuniary relationship, directly or indirectly with the Company or managerial personnel except to the extent of his shareholdings in the equity share capital of the Company and the salary drawn by him as Managing Director and Whole-time Director respectively.

Nature of interest of Directors/KMP/or their relatives are as under:

| Sr. No. | Name | Nature of Relationship | Shareholding in Company as on March 31, 2017 |
|---------|-------------------|---|--|
| 1. | Amrut P. Shah | Managing Director (Brother of Mr. Shantilal P. Shah & Mr. Raichand P. Shah – Plant Manager) | 2,22,83,925 (9.07%) |
| 2. | Shantilal P. Shah | Whole-time Director (Brother of Mr. Amrut P. Shah & Mr. Raichand P. Shah – Plant Manager) | 1,47,87,157 (6.02%) |
| 3. | Raichand P. Shah | Plant Manager (Brother of Mr. Amrut P. Shah & Mr. Shantilal P. Shah) | 2,17,34,503 (8.85%) |
| 4. | Krunal S. Shah | Whole-time Director (Son of Shantilal P. Shah) | 43,000 (0.02%) |

III. OTHER INFORMATION:

(1) Reasons for loss or inadequate profits:

The turnover of the Company for the year 2016-17 is ₹ 9434.54 lacs as against ₹ 9602.13 lacs for the year 2015-2016. The Company has incurred a net loss of ₹ 430.64 lacs for the year 2016-17 as against the net loss of ₹ 641.22 lacs for the year 2015-16. With the growing market players and tough competition in the market the Company had accordingly maintained the competitive prices of its products which in turn reduced the sales income. Thus, the Company has inadequate profits for the computation of the ceilings of the remuneration to the managerial personnel.

(2) Steps taken or proposed to be taken for improvement:

The Company has already installed a fully automatic production line for the exercise books which become fully operational and has started giving global quality products at a reduced cost of production. The strategy of increasing the capacity through the upgrades/expansion at its locations, wherever feasible, has been achieved and is in place assuring value to the stakeholders. The Company has already trimmed its manpower across units and imparting multitasking skills for its workers has been top priority. The Company is also on the lookout for further growth opportunities that may be available in the market. Further, it is continuous efforts of the Management to improve profitability of the Company.

(3) Expected increase in productivity and profits in measurable terms:

With the steps taken by the Company on operations front in improving the production and operating parameters by increasing the capacity through up gradation and expansion at its locations, wherever feasible, it is expected that the production level will increase tremendously and cost of production will come down resulting in increase in the profitability of the Company.

IV DISCLOSURES:

(1) Details of remuneration payable to the Directors:

| Name & Position | (₹ In lacs) Salary* (p.a) |
|--|------------------------------|
| Mr. Amrut P. Shah (DIN 00033120), Chairman and Managing Director | 168.00 |
| Mr. Shantilal P. Shah (DIN 00033182), Whole-time Director | 168.00 |
| Mr. Krunal S. Shah (DIN: 07877986), Whole-time Director | 84.00 |

* Subject to necessary approvals and shall be adjusted depending upon the tenure of office of Director.

There are no stock options available / issued to any Executive Directors of the Company. No sitting fees were paid to the Non-Executive Directors for the Financial Year 2016-17.

The remuneration package includes only Salary. The salary is the fixed component. There are no performance linked incentives. As per the agreement entered or letter of appointment issued between the Company and the Directors as mentioned above, term of appointment of Mr. Amrut P. Shah & Mr. Shantilal P. Shah is 3 years from April 01, 2018 to March 31, 2021. As per letter of appointment issued the term of Mr. Krunal S. Shah as Whole-time Director of the Company will be up to March 31, 2021, subject to revision of remuneration after three years. The notice period is of 3 months / 1 month before the date on which the termination shall come into effect. Severance fees are not applicable. No stock options have been issued.

Your Board recommends the Special resolution as set out in Item No. 5 & 9 for the approval of Members.

The Details pertaining to the number of Board meetings attended, Committee meetings attended, Directorships in other Companies, Membership/ Chairmanship of Committees of other Boards, for Mr. Amrut P. Shah, Mr. Shantilal P. Shah and Mr. Krunal S. Shah, are disclosed in Corporate Governance Report and in the additional information given pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 regarding appointment of a new Director or /re-appointment of Directors, forming part of this report.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Amrut P. Shah (DIN: 00033120), Mr. Shantilal P. Shah (DIN: 00033182), Mr. Krunal S. Shah (DIN: 07877986) whose re-appointment/ appointment and revision in remuneration is proposed in these resolutions

are in any way concerned or interested in the resolution.

ITEM NO. 10:

In order to broad base Capital Structure of the Company due to expansion of its capacity and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase Authorized Share Capital of the Company from existing ₹ 27,00,00,000/- (Rupees Twenty Seven Crore) divided into 27,00,00,000 (Twenty Seven Crore) Equity Shares of face value of ₹ 1/- (Rupee One Only) to ₹ 28,00,00,000/- (Rupees Twenty Eight Crore only) divided into 28,00,00,000 (Twenty Eight Crore) Equity Shares of ₹ 1/- (Rupee one only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of ₹ 1/- (Rupee One Only) each ranking pari passu in all respect with the existing Equity Shares of the Company.

As a consequence of increase of Authorized Share Capital of the Company, the existing Authorized Share Capital clause in the Memorandum of Association of the Company be altered accordingly. The proposed increase of authorized Share Capital requires the approval of members of the Company in General Meeting under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals. The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day, between 10.00 a.m. to 4.00 p.m.

Accordingly upon the increase in Authorized Share Capital, capital clause in the Memorandum of Association is proposed to be altered by way of Ordinary Resolution at item no. 10.

The Board of Directors is of the opinion that the aforesaid increase in Authorized Share Capital is in the best interest of the Company and its investors.

None of the Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested in the resolution except to the extent of their shareholding in the company.

ITEM NO. 11:

Pursuant to the relevant Sections of the Companies Act, including, without limitation, Section 62 of the Companies Act 2013, any offer or issue of securities on the Company to persons other than members of the Company requires prior approval of the members by way of Special Resolution. The Listing agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the Shareholders in a general meeting decide otherwise.

Your Directors draw your attention to the fact that the Company requires additional capital in the future to repay the company loans and (ii) other general corporate purposes. This will also improve Company's debt-equity ratio. It is proposed to create, offer, issue and allot securities as stated in the resolution at such price or prices, at a discount or premium to market price or

prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its discretion, taking into consideration market conditions and other relevant factors and whenever necessary in consultation with lead managers, either in one or more foreign currencies or equivalent Indian Rupees inclusive of such premium as may be determined by the Board. The Company intends to issue securities for an aggregate amount not more than ₹ 20 Crores (Rupees Twenty Crores only) (including premium) or its equivalent in one or more foreign currencies. This is an enabling Resolution and the Company will issue new securities, subject to applicable law and necessary compliances.

This Special Resolution, among other things, seeks to enable the Board of Directors (including any committee thereof) to undertake a Qualified Institutions Placement to Qualified Institutional Buyers in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, amended (the "SEBI ICDR Regulations") as prescribed under Chapter VIII of the SEBI ICDR Regulations for the purposes mentioned above without the need for fresh approval from the shareholders.

Basis for Justification of Price: The pricing of Securities to be issued to Qualified Institutional Buyers pursuant to chapter VIII of the SEBI ICDR Regulations shall be determined by the Board to such a price not being less than the price calculated in accordance with Chapter VIII the SEBI ICDR Regulations. The "Relevant date" for this purpose, in case of allotment of Equity Shares, will be the date when the Board decides to open the issue, or, in case of convertible securities, either the date on which the holders of such convertible securities become entitled to apply for the Equity Shares as provided under the Chapter VIII of the SEBI ICDR Regulations. The resolution enables the Board of Directors to, in accordance with applicable laws, offer a discount of not more than 5% or such percentage under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also enables the Board to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board deems fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Lead manager(s) appointed in relation to the proposed issue and such other authorities as may be required, taking into consideration market conditions and in accordance with the applicable provision of law. The Equity Shares allotted or arising out of conversion of any securities will be listed on recognized Stock Exchanges subject to obtaining regulatory approvals. The offer/ issue/ allotment/ conversion/ redemption of Securities would be subject to obtaining regulatory approvals, if any by the

Company. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing agreement entered into with the Stock Exchanges.

Section 62 of the Companies Act, 2013 and the provisions of listing agreements entered into with the stock exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares may be offered to any person other than members of the Company, if authorized by the members pursuant to a special resolution. The special resolutions seek the consent and authorization of the members to the Board to make the proposed issue of Securities, in consultation with the lead managers, advisors and other intermediaries that may be appointed in relation to the issue of Securities and in the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the prevailing market conditions and in accordance with the applicable rules and regulations or guidelines.

**By Order of the Board of Directors
For Sundaram Multi Pap Limited**

Bhavesh Chheda
Company Secretary

Place: Mumbai
Date: August 08, 2017

Additional Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 regarding appointment of a new Director or re-appointment of Directors and as required under applicable Secretarial Standard:

1. Mr. Amrut P. Shah, Managing Director (DIN: 00033120):**Brief Resume (including Background details, Education Qualification, experience):**

Mr. Amrut P. Shah was re-appointed as Managing Director of the Company with effect from April 01, 2015. Though he is SSC qualified, he brings with him more than 30 years' experience in the business of paper stationery manufacturing. He started his career at a tender age of 20 years in the notebook manufacturing and marketing that provided him the opportunity to understand complete intricacies of this business like sourcing raw materials, complete manufacturing processes like printing, ruling, cutting, folding, pinning, pasting and packing and selling to various retail outlets in and around vicinity. He is the Promoter as well as Director of the Company since 1995. His current responsibility is providing and making strategies and enhancing Growth of the Company and also increasing the Shareholder's Wealth. Mr. Amrut P. Shah's leadership development and knowledge management initiatives have differentiated the company from competitors.

Remuneration:

Last Remuneration Drawn: ₹ 33,90,000 p.a.
Proposed Remuneration: Not exceeding ₹ 168,00,000 p.a. w.e.f. April 01, 2018.

Terms & Conditions of Reappointment/Revision:

Terms & Conditions of Reappointment/Revision will remain same as given in the resolutions given in the notice.

Date of First appointment on the board: 13-03-1995**Shareholding in the company:**

As on June 30, 2017 he holds 22283925 Equity Shares which constitute 9.07% of Equity Share Capital of the Company.

Relationship with other directors or KMP:

He is Brother of Mr. Shantilal P. Shah, Whole-time Director (DIN: 00033182).

No. of meetings of Board attended:

He has attended all the Meetings of Board of Directors held during the current year till present date.

Other Directorship:

He is also Member of the Board of Directors of M/s. E-Class Education System Limited and M/s. Sundaram Bio-Tech Private Limited.

2. Mr. Shantilal P. Shah, Whole-time Director (DIN: 00033182):**Brief Resume (including Background details, Education Qualification, experience):**

Mr. Shantilal P. Shah, Age 47, is the Whole-time Director of the Company. Though he is SSC qualified he is a great marketing brain in the paper and stationery industry. He has evolved and developed a unique dealer/retailer network in the form of retail shops in Maharashtra, Gujarat and Goa. He constantly strives to expand the dealer/retail network through personal relationships and innovative schemes of rewarding the dealer achievers. He has put in place the system to gather from this network great deal of

market intelligence in terms of customer preference for Sundaram's products vis-à-vis the competitors' products.

Remuneration:

Last Remuneration Drawn: ₹ 26,10,000 p.a.
Proposed Remuneration: Not exceeding ₹ 168,00,000 p.a. w.e.f. April 01, 2018.

Terms & Conditions of Reappointment/Revision:

Terms & Conditions of Reappointment/Revision will remain same as given in the resolutions given in the notice.

Date of First appointment on the board: 01-08-1999**Shareholding in the company:**

As on June 30, 2017 he holds 13537157 Equity Shares which constitute 5.51% of Equity Share Capital of the Company.

Relationship with other directors or KMP:

He is Brother of Mr. Amrut P. Shah, Chairman & Managing Director (DIN: 00033120).

No. of meetings of Board attended:

He has attended all the Meetings of Board of Directors held during the current year till present date.

Other Directorship:

He is also Member of the Board of Directors of M/s. E-Class Education System Limited, M/s. Sundaram Bio-Tech Private Limited. He is also Member of Audit Committee and Nomination & Remuneration Committee in M/s. E-Class Education System Limited.

3. Mr. Krunal S. Shah, Whole-time Director (DIN: 07877986):**Brief Resume (including Background details, Education Qualification, experience):**

Mr. Krunal S. Shah, age 23, is the Whole-time Director of the Company. He has completed qualification of Masters of Management Studies and Bachelor of Business Administration. He is having good Marketing Brain and Management & Business Administration Skills. His technological expertise helps the Company to conduct its affairs in efficient and cost effective manner. Being member of the promoter group and son of Mr. Shantilal P. Shah, Whole-time Director he is associated with the Business of the Company since past.

Remuneration:

Last Remuneration Drawn: NA.
Proposed Remuneration: Not exceeding ₹ 84 lacs p.a. w.e.f. August 08, 2017 for the period of three years.

Terms & Conditions of Appointment/ Reappointment:

Terms & Conditions of Appointment / Reappointment will be as per letter of Appointment and as approved by members in AGM.

Date of First appointment on the board: August 08, 2017**Shareholding in the company:**

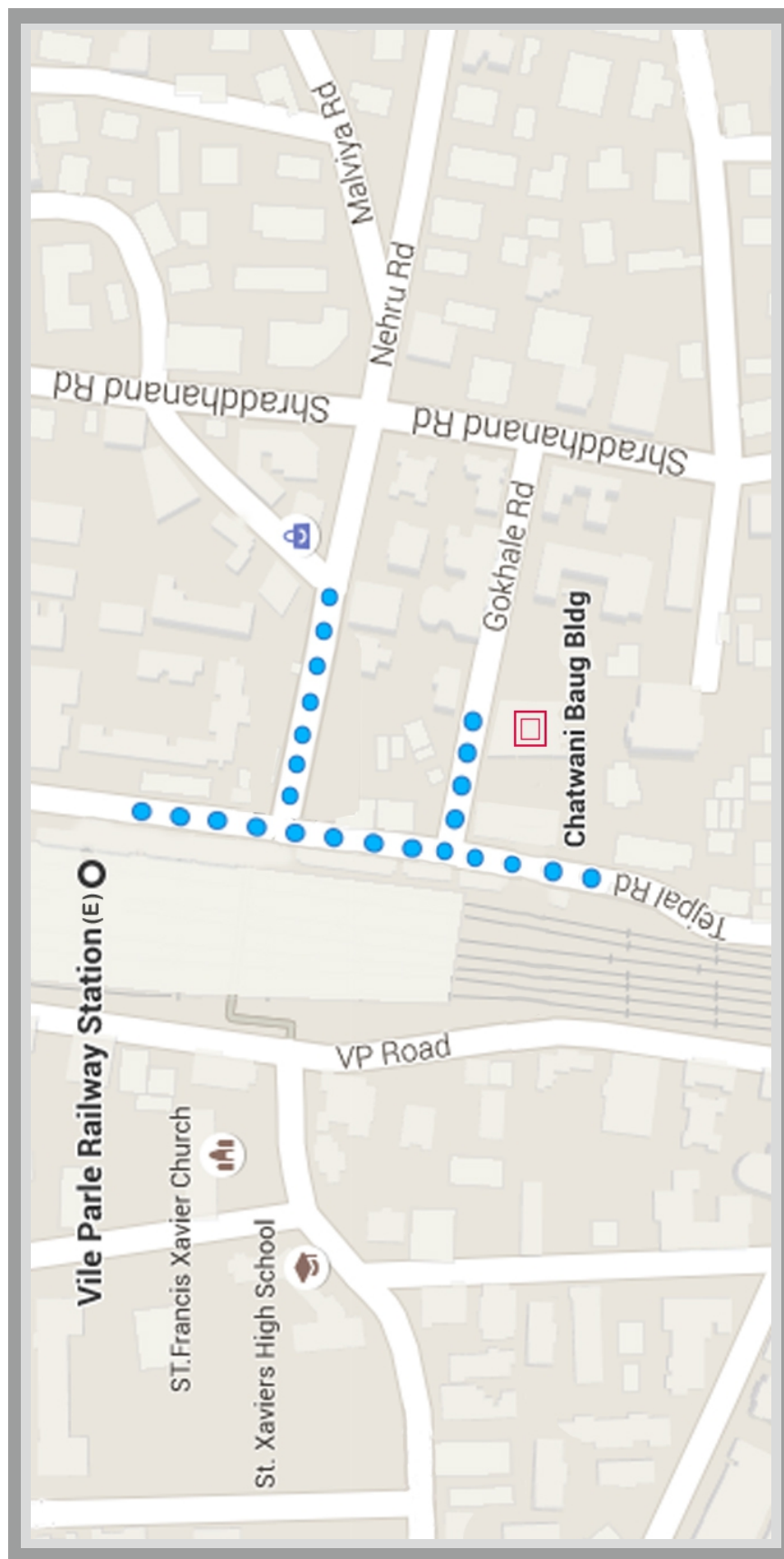
As on June 30, 2017 he holds 43,000 Equity Shares which constitute 0.02% of Equity Share Capital of the Company.

Relationship with other directors or KMP:

He is Son of Mr. Shantilal P. Shah, Whole-time Director (DIN: 00033182).

No. of meetings of Board attended: NA**Other Directorship:** Nil

Route Map to Annual General Meeting Venue:



BOARD OF DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 23rd Annual Report together with the Annual Audited Statement of Accounts of **Sundaram Multi Pap Limited** ("the Company") and its subsidiary for the year ended March 31, 2017.

FINANCIAL PERFORMANCE:

The financial performance of Company for the year ended March 31, 2017 is summarized below: (₹ In Lacs)

| Particulars | STANDALONE | | CONSOLIDATED | |
|--|-----------------|-----------------|-----------------|-------------------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Total Income | 9524.61 | 9631.88 | 10,016.96 | 9,892.35 |
| Total Expenses (Excluding Finance Cost) | 8221.94 | 8737.27 | 8,600.16 | 8,997.66 |
| Profit / (Loss) before tax | (650.43) | (786.58) | (648.44) | (1,017.13) |
| Less: Deferred Tax | 217.34 | 144.00 | 61.75 | 144.00 |
| Less: (Excess)/Short Provision for earlier Years | 2.45 | 1.37 | 2.44 | 1.37 |
| Profit / (Loss) after tax | (430.64) | (641.22) | (584.25) | (871.76) |
| EPS | (0.19) | (0.30) | (0.26) | (0.40) |

SUMMARY OF OPERATIONS:

The Consolidated revenue from the operations has increased to ₹ 10,016.96 Lacs for the year ended March 31, 2017 as compared to ₹ 9,892.35 Lacs for the year ended March 31, 2016. The Company has reduced net loss after tax to ₹ 584.25 lacs for the year ended March 31, 2017 as compared to net loss of ₹ 871.76 lacs for the year ended March 31, 2016. Earnings per Share of the Company have been improved.

PERFORMANCE OF SUBSIDIARY COMPANY:

E-Class Education System Limited brings to its customers Digital Education by leveraging the powers of Computers and using a blend of Internet, Mobile, and other means of Digital Communication Technologies. E-class aims at educating the Majority of the Students across the state by providing various products such as Smart phone Application, Android Memory cards, Pen-drives etc. The Gross Revenue of the Company in Financial Year 2016-17 stood at ₹ 489.79 lacs as Compared to ₹ 250.70 lacs in Previous Financial Year 2015-16.

TRANSFER TO RESERVE:

In view of the losses incurred by the Company, your Directors propose not to transfer any amount to General Reserve.

DIVIDEND:

In view of the Loss incurred by your Company, the Board of Directors does not recommend any dividend for the Financial Year 2016-17.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual return of the Company, pursuant to section 134(3) (a) of the Companies Act, 2013 in annexed herewith as **Annexure-1** to this Report.

MATERIAL CHANGES AND COMMITMENT:

There have been no such material changes or commitments

affecting the financial position from the end of the Financial Year 2016-17 till date of this report, as may be deemed to be material enough to affect the financial position of the Company, otherwise than in the normal course of business.

CAPITAL/ FINANCE:

During the year, the Company has issued and allotted 3,00,00,000 Equity Shares of face Value of ₹ 1/- each on Qualified Institutional Placement basis. As on March 31, 2017, the issued, subscribed and paid up share capital of your Company stood at ₹ 24,56,05,773/- (Rupees Twenty Four Crores Fifty Six Lacs Five Thousand Seven Hundred and Seventy Three Only), comprising 24,56,05,773 (Twenty Four Crores Fifty Six Lacs Five Thousand Seven Hundred and Seventy Three) Equity shares of ₹ 1/- (Rupee One Only) each.

MEETING OF THE BOARD OF DIRECTORS:

The Board met Sixteen (16) times during the Financial Year 2016-17 viz. on 23-05-2016, 20-06-2016, 07-07-2016, 25-07-2016, 08-08-2016, 10-09-2016, 09-11-2016, 15-11-2016, 21-11-2016, 24-11-2016, 28-11-2016, 19-12-2016, 28-12-2016, 05-01-2017, 10-02-2017 and 07-03-2017.

Detailed information on the meetings of the Board of Directors is included in the report on Corporate Governance, which forms part of this Annual Report. Maximum gap between two Board Meeting did not exceed 120 days as required under Companies Act, 2013.

COMMITTEES OF BOARD:

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on March 31, 2017 Company has four Committees namely Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. The details of Composition of the said Committee and their Meeting held during the year along with terms of reference of the said Committees of Board of Directors of the company is given in Corporate Governance Report and is also placed on the Company's website at (<http://www.sundaramgroups.in/committees/>).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by SEBI. The report on Corporate Governance as prescribed in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance along with a declaration signed by the

Chairman and Managing Director stating that Members of the Board and Senior Management Personnel have affirmed the compliance vide Code of Conduct of the Board and Senior Management is attached to the report on Corporate Governance. As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

LISTING AND DEMATERIALISATION:

The Equity Shares of the Company are listed on the BSE Limited & NSE Limited. Shareholders are requested to convert their holdings to dematerialized form to derive its benefits by availing the demat facility provided by NSDL and CDSL.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) 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; and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria for Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND EVALUATION:

The Current policy is to have an appropriate proportion of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2017, the Board consists of five members, including a managing director, whole-time director and three are independent directors.

The Company has framed a Nomination, Remuneration and Evaluation Policy. The information with respect to the Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is outlined in the Annexure-2 of this report. The said policy is also available on Company's website on <http://www.sundaramgroups.in/wp-content/uploads/2015/02/NOMINATION-REMUNERATION-AND-EVALUATION-POLICY.pdf>. There has been no change in the policy since last financial year.

FORMAL ANNUAL EVALUATION MADE BY BOARD OF DIRECTORS:

Pursuant to the provisions of Section 134(3)(p), 149(8), 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of Directors and Committees of Director has been carried out. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. Board has carried out annual performance evaluation of its own performance, performance evaluation of Committees of Board, performance of Independent Directors and performance of the Chairman.

Executive Directors were evaluated on the basis of targets / criteria given to them by the board from time to time as well as per their terms of appointment. Independent Directors, being evaluated by entire board except of Director being evaluated, on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV of the Companies Act, 2013. Chairman and other Non-Independent Directors were being evaluated by Independent Directors, who also reviewed the performance of secretarial department. Performance evaluation of the Committees of the Board and that of its members in effectively discharging their duties was carried out by the Board of Directors based on the terms of reference of the committees.

The overall performance of Chairman, Executive Directors and Non-Executive Directors of the Company is satisfactory. The review of performance was based on criteria of performance, knowledge, analysis, quality of decision making etc.

STATUTORY AUDITORS:**• Re-appointment:**

M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No.: W100100), Statutory Auditors of the Company, were appointed as the Statutory Auditors of the Company on September 30, 2014 to hold the office for a period of three years i.e. up to the AGM to be held in the calendar year 2017.

The term of said appointment expires in this AGM, however as per the provisions of the Section 139 of the Companies act, 2013 they can further be re-appointed for the period of One Financial Year i.e. 2017-18 and in the event of their re-appointment in this AGM their current term will expire in AGM to be held in calendar year 2018. The Statutory Auditors have confirmed their consent and eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

As required above, the Board has, after considering the recommendations of its Audit Committee, incorporated a suitable resolution for your consideration and approval in the notice calling ensuing Annual General Meeting of the Company.

• **Auditors Observations & Management's Response:**

The auditor has emphasized over the matter of certain trade receivables and advances which are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statement on such reconciliation/ adjustments. Accordingly no provisions have been made in the financial statements.

In Consolidated Financial Statement auditors have qualified opinion over the matter of provision for Gratuity that no provisions are made for gratuity by the Subsidiary Company which constitutes a departure from the Accounting Standard – 15 "Employee Benefits (Revised 2005)". However management of the Subsidiary Company is in the process adopting AS-15.

• **Auditor's Certificate on Corporate Governance:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance is provided in this Annual Report. The certificate does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS:

• **Appointment:**

Pursuant to Section 204 of the Companies Act, 2013, your Company had appointed M/s. A. V. Shah & Associates, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the Secretarial Audit for FY 2016-17. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit.

• **Secretarial Audit Report:**

The Secretarial Audit report on the compliance of the applicable Acts, Laws, Rules, Regulations, Guidelines, Listing Agreement, Standards etc. as stipulated by the provisions of Section 204 of the Companies Act 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of this report as Annexure-3. The findings of the audit have been satisfactory.

INTERNAL AUDITOR:

The Company continues to engage M/s. Prakkash Muni & Associates (ICAI Firm Registration No. 111792W) as its Internal Auditor for Financial Year 2017-18. During the year, the Company continued to implement their suggestions and

recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

COST AUDITOR:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 the Cost Audit Report is not mandatorily applicable to our Company for the financial year 2016-17; hence, no such audit has been carried out during the year.

REPORTING OF FRAUDS:

There have been no instances of frauds reported by Statutory Auditors under Section 143(12) of the Companies Act, 2013 and rules made thereunder, either to the Company or to the Central Government.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Except of Conversion of Loan amounting to ₹. 13,70,00,000 (Rupees Thirteen Crores Seventy Lakh) given to Wholly Owned Subsidiary viz. E-Class Education System Limited, into equity shares, during the year there was no other loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions falling under Section 188 (1) of the Companies Act, 2013 during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions were placed before the Audit Committee for approval. Audit Committee had given prior approval for all the Related Party Transactions. Also policy on related party transaction has been disclosed on the website of the Company at ([http:// www. sundaramgroups.in/company-policies/](http://www.sundaramgroups.in/company-policies/)).

The Company has not entered into any contract / arrangement / transaction with related parties which could be considered

material in accordance with the policy of the Company on materiality of related party transactions.

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

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Act are given below:

• CONSERVATION OF ENERGY

Steps taken on conservation of energy and for utilizing alternate sources of energy:

Company is well equipped with the transparent roofs in the factory premises; the transparent roof drastically enables the company to reduce the artificial lightning. Also Company had installed highly efficient machineries which help in conservation of energy and also factory premise is equipped with energy saving lamps. Company had also installed self-power generation unit. The self-power generator enables the company to overcome the breakdown in the electricity supply and facilitates the continuous working of the production process without any hindrance.

The capital investment on energy conservation equipments:

Capital Investments were incurred in the earlier years, but no investment was made on energy conservations equipment's during the year 2016-17.

• TECHNOLOGY ABSORPTION

The efforts made towards technology absorption and benefits derived:

The Company is equipped with fully auto book manufacturing machine and has also adopted partly automation process. This has resulted into the reduction in the labour cost and the cycle time from raw material to the final output of the product. This technology has helped the company to increase the output with better quality and low amount of wastage.

In case of imported technology:

No technology was imported by the Company during the last three years reckoned from the beginning of the financial year.

• FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of Foreign Exchange earnings & outgo is given in notes forming parts of financial statements.

DETAILS OF CHANGE IN DIRECTORS AND KMP DURING THE YEAR:

As per the provisions of the Companies Act 2013, Mr. Shantilal P. Shah (DIN: 00033182), retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends the re-appointment.

Mr. Manik Makwana, Company Secretary of the Company resigned from the office of Company Secretary & KMP w.e.f. February 24, 2017 and Mr. Bhavesh Chheda was appointed as Company Secretary & KMP of the Company w.e.f. March 07, 2017.

Mr. Krunal S. Shah (DIN: 07877986) was appointed as the Additional Director (Executive) of the Company w.e.f. August 08, 2017.

BUSINESS RISK MANAGEMENT & RISK MANAGEMENT POLICY:

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were regularly informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments, Retention of talent and Expansion of facilities.

Risk Management framework shall primarily focus on the elements such as Risk to Company Assets and Property, Employees Related Risks, Foreign Currency Risks, Risks associated with Non-Compliance of Statutory enactments, Competition Risks, Operational Risks and various other types of risks which may affect the business or organization.

Business risk, inter-alia, further includes financial risk, Political risk, Fidelity risk, Legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

Pursuant to the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to the formation of the Risk Management Committee, is not applicable to your Company.

Detailed policy framework is disclosed on the website of the Company at (company-policies/).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business; including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of Accounting Records and timely preparation of reliable financial disclosures. policies, the the safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of Accounting Records and timely preparation of reliable financial disclosures. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure-4 to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are mentioned in Annexure-5 to this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to applicable provisions of Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Company have transferred unclaimed dividend amount of ₹ 54,248/- pertaining to Financial Year 2008-09, to Investor Education Protection Fund. Further according to rules, the shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to Demat account created by IEPF Authority. Accordingly Company has transferred the unpaid or unclaimed dividend to the IEPF Account. The Corresponding shares will be transferred as per the requirements of IEPF Rules. Details of Unpaid or Unclaimed Dividend are displayed on Company's website at <http://www.sundaramgroups.in/unclaimed-dividend/>.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES:

As on March 31, 2017 your Company has only one Wholly Owned Subsidiary viz. E-class Education System Limited. During the year under review your Company did not have any New Subsidiary neither did it have an Associate Company nor did it enter in to a Joint Venture with any other company. In Accordance with Section 129 (3) of the Companies Act, 2013, we have prepared Annual Consolidated Financial Statements of the Company in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, which form part of this Annual Report. Further pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure-4.

CORPORATE SOCIAL RESPONSIBILITY:

In line with the provisions of Section 135 of the Companies Act,

2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your Company has constituted a CSR Committee to recommend and monitor expenditure on CSR and also approved the CSR Policy. The Company's policy on CSR is put up on the website of the Company at the link <http://www.sundaramgroups.in/company-policies/>.

Since, there is average loss in the last three immediately preceding financial years of your Company; the management was not required to conduct any CSR related activities. However, your management desires to spend on CSR as and when it's feasible. The Annual Report on CSR activities is annexed herewith marked as Annexure-6.

DETAILS OF DEPOSITS:

During the year under review, except of loan from Directors the Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no details to be disclosed under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014.

DISCLOSURE UNDER SEXUAL HARRESMENT AT WORK-PLACE:

During the year under review no complaints has been received by Sexual Harassment Committee of the Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

VIGIL MECHANISM:

Pursuant to the requirement of the Companies Act 2013 and provisions of Listing Agreement applicable to the Company, your Company has adopted Vigil mechanism (Whistle Blower Policy) for complying with the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. The reportable matters may be disclosed by the employees to the Management / Managing Director / Chairman of the Audit Committee. No complaint was received during the Financial Year 2016-17. During the year under review, no employee was denied access to the Audit Committee.

HUMAN RESOURCES:

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

UNCLAIMED DIVIDEND:

Your Company would like to bring to the notice of the shareholders that some of them have not claimed the dividends as per the under mentioned detail:

| Accounting Year | Total amount unclaimed (in ₹) |
|-----------------|--------------------------------|
| 2009-10 | ₹ 67,124 |
| 2010-11 | ₹ 52,317 |
| 2011-12 | ₹ 48,097 |
| 2012-13 | ₹ 83,641 |
| 2013-14 | ₹ 74,385 |

The Board of Directors sincerely likes to remind the concerned shareholders to claim their dividends. The Board also likes to inform to the shareholders that any dividend remaining unclaimed for seven years gets transferred to Investor Education & Protection Fund as per Section 125 of the Companies Act, 2013. Further Board also informs that pursuant to the provisions of Section 124 of the Companies Act, 2013, those shares on which dividend has not been claimed since last seven years will be transferred to IEPF Account. Intimation letters for the same has been already sent by Company to those shareholders on their registered address, who have not claimed their dividend since last seven years. Also advertisement for the same was published by the Company in the newspaper.

OTHER DISCLOSURES/REPORTING:

In last AGM held on August 29, 2016 Company had passed Special Resolution for issue of Share Warrants to the Promoters on Preferential Basis, however promoters could not subscribe to the said Share Warrants within the specified hence said Share Warrants could not be allotted to the promoters.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise,
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme,
- Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

CAUTIONARY STATEMENT:

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include

raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
(DIN: 00033120)
Chairman & Managing Director

Date: August 08, 2017
Place: Mumbai

ANNEXURE-1
EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2017

[Pursuant to Section 92(3) of the Companies act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9
A. REGISTRATION DETAILS:

| | |
|---|---|
| CIN: | L21098MH1995PLC086337 |
| Registration Date: | 13-03-1995 |
| Name of the Company: | Sundaram Multi Pap Limited |
| Category / Sub-Category of the Company: | Company Limited by Shares / Indian Non-government Company |
| Address of the Registered office and contact details: | 5/6, Papa Industrial Estate, Suren Road, Andheri East, Mumbai: 400093, Maharashtra, India. Tel. No.: 022 67602200; Email ID: info@sundaramgroups.in; Website: www.sundaramgroups.in |
| Whether listed company: | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. Sharex Dynamic (India) Pvt. Ltd., Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 Tel: 022 2851 5606, Fax: 022 2851 2885 |

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Exercise Books & Paper (Paper & Paper Products) | 17099 | 100% |

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sr. No. | Name and Address of the Company | CIN/ GLN | Holding/Subsidiary/Associate | % of shares held |
|---------|--|-----------------------|------------------------------|------------------|
| 1. | E-Class Education System Limited 5/6, Papa Industrial Estate, Suren Road, Andheri East, Mumbai: 400093, Maharashtra, India. | U80212MH2009PLC194231 | Wholly Owned Subsidiary | 100% |

D. SHARE HOLDING PATTERN:
Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2016 | | | | No. of Shares held at the end of the year 31-03-2017 | | | | % Change during the year |
|--------------------------|--|----------|-------|-------------------|--|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |

A. PROMOTER'S
1. INDIAN:

| | | | | | | | | | |
|------------------------------------|-----------------|----------|-----------------|--------------|-----------------|----------|-----------------|--------------|-------------|
| (a). Individual | 69455585 | 0 | 69455585 | 32.21 | 69155585 | 0 | 69155585 | 28.17 | 4.04 |
| (b). Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c). State Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d). Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e). Financial Institution / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (1):- | 69455585 | 0 | 69455585 | 32.21 | 69155585 | 0 | 69155585 | 28.17 | 4.04 |

2. FOREIGN:

| | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (a). Individual NRI / Foreign Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Other Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c). Bodies Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d). Banks / FII | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e). Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Any Other Specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|------------------|----------------|------------------|---------------|------------------|----------------|------------------|---------------|--------------|
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 69455585 | 0 | 69455585 | 32.21 | 69155585 | 0 | 69155585 | 28.17 | 4.04 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. INSTITUTIONS: | | | | | | | | | |
| (a). Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Financial Institution / Banks | 125000 | 0 | 125000 | 0.06 | 150000 | 0 | 150000 | 0.06 | 0.00 |
| (c). Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d). State Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e). Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f). Insurance Companies | 9000000 | 0 | 9000000 | 4.17 | 9000000 | 0 | 9000000 | 3.66 | -0.51 |
| (g). FIIs | 1000000 | 0 | 1000000 | 0.46 | 0 | 0 | 0 | 0 | -0.46 |
| (h). Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i). Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 10125000 | 0 | 10125000 | 4.70 | 9150000 | 0 | 9150000 | 3.73 | -0.97 |
| 2. NON-INSTITUTIONS: | | | | | | | | | |
| (a). Bodies Corporate | | | | | | | | | |
| 1. Indian | 27963995 | 0 | 27963995 | 12.97 | 23613957 | 0 | 23613957 | 9.61 | -3.36 |
| 2. Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b). Individuals | | | | | | | | | |
| 1. Individual shareholders holding nominal share capital up to Rs.1 lakh | 50416738 | 1196958 | 51613696 | 23.94 | 69810792 | 1106958 | 70917750 | 28.87 | 4.93 |
| 2. Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 54075600 | 112527 | 54188127 | 25.13 | 58991529 | 112527 | 59104056 | 24.06 | -1.07 |
| (c). Other (specify) | | | | | | | | | |
| 1. NRI | 2092833 | 0 | 2092833 | 0.97 | 3211504 | 0 | 3211504 | 1.31 | 0.34 |
| 2. OCB | 0 | 0 | 0 | 0 | 833000 | 0 | 833000 | 0.34 | 0.34 |
| 3. Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Clearing Members | 166537 | 0 | 166537 | 0.08 | 9619921 | 0 | 9619921 | 3.92 | 3.84 |
| 5. Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Foreign Bodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 134715703 | 1309485 | 136025188 | 63.09 | 166080703 | 1219485 | 167300188 | 68.12 | 5.03 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 144840703 | 1309485 | 146150188 | 67.79 | 175230703 | 1219485 | 176450188 | 71.84 | 4.05 |
| C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 214296288 | 1309485 | 215605773 | 100.00 | 244386288 | 1219485 | 245605773 | 100.00 | 0 |

SHAREHOLDING OF PROMOTERS:

| Sr. No. | Name of Shareholder | Shareholding at the start of the year 01-04-2016 | | | Shareholding at the end of the year 31-03-2017 | | | % Change in Shareholding during the year |
|---------|-------------------------|---|----------------------------------|--|---|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ Encumbered to total Shares of the Company | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ Encumbered to total Shares of the Company | |
| 1. | AMRUT P. SHAH | 22283925 | 10.34 | 3.32 | 22283925 | 9.07 | 2.50 | -1.23 |
| 2. | RAICHAND P. SHAH | 21734503 | 10.08 | 8.60 | 21734503 | 8.85 | 5.41 | -1.23 |
| 3. | SHANTILAL P. SHAH | 14787157 | 6.86 | 4.70 | 14787157 | 6.02 | 4.13 | -0.84 |
| 4. | HASMUKH A. GADA | 1887000 | 0.88 | 0 | 1587000 | 0.65 | 0 | -0.23 |
| 5. | AMRUT P. SHAH (HUF) | 552000 | 0.26 | 0 | 552000 | 0.22 | 0 | -0.04 |
| 6. | SHANTILAL P. SHAH (HUF) | 780000 | 0.36 | 0.16 | 780000 | 0.32 | 0.14 | 0.04 |
| 7. | HASMUKH A. GADA (HUF) | 1482000 | 0.69 | 0 | 1482000 | 0.60 | 0 | -0.09 |
| 8. | VIMLABEN A. SHAH | 1602000 | 0.74 | 0 | 1602000 | 0.65 | 0 | -0.09 |
| 9. | CHETNA R. SHAH | 1027000 | 0.48 | 0 | 1027000 | 0.42 | 0 | -0.06 |
| 10. | NAYNA S. SHAH | 264000 | 0.12 | 0 | 264000 | 0.11 | 0 | -0.01 |
| 11. | MEENAXI H. GADA | 525000 | 0.24 | 0.13 | 525000 | 0.21 | 0.11 | -0.03 |
| 12. | HARDIK A. SHAH | 40000 | 0.02 | 0 | 40000 | 0.02 | 0 | 0 |
| 13. | RIDDHI C. GALA | 110000 | 0.05 | 0 | 110000 | 0.04 | 0 | -0.01 |
| 14. | RICHA RAICHAND SHAH | 1387000 | 0.64 | 0 | 1387000 | 0.56 | 0 | -0.08 |
| 15. | NIDHI RAICHAND SHAH | 116000 | 0.05 | 0 | 116000 | 0.05 | 0 | 0 |
| 16. | YASH RAICHAND SHAH | 359000 | 0.17 | 0.14 | 359000 | 0.15 | 0.12 | -0.02 |
| 17. | DIVIJ SHANTILAL SHAH | 131000 | 0.06 | 0 | 131000 | 0.05 | 0 | -0.01 |
| 18. | KRUNAL SHANTILAL SHAH | 43000 | 0.02 | 0 | 43000 | 0.02 | 0 | 0 |
| 19. | LAXMIBEN A. GADA | 345000 | 0.16 | 0 | 345000 | 0.14 | 0 | -0.02 |

CHANGE IN PROMOTER'S SHAREHOLDING:

| Sr. No. | Name of Shareholder | Shareholding at the start of the year 01-04-2016 | | | Shareholding at the end of the year 31-03-2017 | | | % Change in Shareholding during the year |
|---------|---------------------|--|--------------------------------|------------|--|--------|---------------|--|
| | | No. of Shares | % of the Shares of the Company | Date | Increase/ Decrease in shareholding | Reason | No. of Shares | |
| 1. | HASMUKH A. GADA | 1887000 | 0.88 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 03-03-2017 | -300000 | SOLD | 1587000 | 0.65 |
| | | | | 31-03-2017 | -- | -- | 1587000 | 0.65 |
| 2. | MEENAXI H. GADA | 525000 | 0.24 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 08-07-2016 | -280000 | SOLD | 245000 | 0.11 |
| | | | | 29-07-2016 | 280000 | BUY | 525000 | 0.24 |
| | | | | 31-03-2017 | -- | -- | 525000 | 0.21 |

SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| Sr. No. | Name of Shareholder | No. of Shares at the Start / end | % of the Shares of the Company | Date | Increase/ Decrease in shareholding | Reason | No. of Shares | % Change in Shareholding during the year |
|---------|--|----------------------------------|--------------------------------|------------|------------------------------------|--------|---------------|--|
| 1. | GANJAM TRADING COMPANY PRIVATE LIMITED | 14999499 | 6.96 | 01-04-2016 | NO CHANGE | | -- | -- |
| | | | | 31-03-2017 | | | 14999499 | 6.11 |
| 2. | GENERAL INSURANCE CORPORATION OF INDIA | 9000000 | 4.17 | 01-04-2016 | NO CHANGE | | -- | -- |
| | | | | 31-03-2017 | | | 9000000 | 3.66 |
| 3. | USHA DINESH SHAH | 2663117 | 1.24 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 07-10-2016 | -2433475 | SOLD | 229642 | 0.11 |
| | | | | 09-12-2016 | 1624295 | BUY | 1853937 | 0.76 |
| | | | | 23-12-2016 | 58713 | BUY | 1912650 | 0.78 |
| | | | | 30-12-2016 | 59837 | BUY | 1972487 | 0.80 |
| | | | | 10-02-2017 | 500000 | BUY | 2472487 | 1.01 |

| | | | | | | | | |
|----|---|---------|------|------------|-----------|------|---------|------|
| | | | | 24-02-2017 | 500000 | BUY | 2972487 | 1.21 |
| | | | | 31-03-2017 | 564760 | BUY | 3537247 | 1.44 |
| 4. | SANJAYBHAI SAVJIBHAI BHARODIA | 2336704 | 1.08 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 30-06-2016 | -33566 | SOLD | 2303138 | 1.07 |
| | | | | 31-03-2017 | -- | -- | 2303138 | 0.94 |
| 5. | B ARUNKUMAR CAPITAL AND CREDIT SERVICES PVT LTD | 1750016 | 0.81 | 01-04-2016 | NO CHANGE | | -- | -- |
| | | | | 31-03-2017 | | | 1750016 | 0.71 |
| 6. | RENUDEVI SATISH CHOUDHARY | 1315400 | 0.61 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 10-06-2016 | 500 | BUY | 1315900 | 0.61 |
| | | | | 15-07-2016 | -750 | SOLD | 1315150 | 0.61 |
| | | | | 13-01-2017 | -250 | SOLD | 1314900 | 0.54 |
| | | | | 31-03-2017 | -- | -- | 1314900 | 0.54 |
| 7. | SURAJ PANKAJ BHAYANI | 1361000 | 0.63 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 15-07-2016 | -1150500 | SOLD | 210500 | 0.10 |
| | | | | 07-10-2016 | 30000 | BUY | 240500 | 0.11 |
| | | | | 14-10-2016 | 100000 | BUY | 340500 | 0.16 |
| | | | | 11-11-2016 | 50000 | BUY | 390500 | 0.18 |
| | | | | 18-11-2016 | 25000 | BUY | 415500 | 0.19 |
| | | | | 25-11-2016 | 80013 | BUY | 495513 | 0.23 |
| | | | | 31-12-2016 | 300000 | BUY | 795513 | 0.32 |
| | | | | 27-01-2017 | 332050 | BUY | 1127563 | 0.46 |
| | | | | 17-02-2017 | 300000 | BUY | 1427563 | 0.58 |
| | | | | 03-03-2017 | -205000 | SOLD | 1222563 | 0.50 |
| | | | | 31-03-2017 | 33900 | BUY | 1256463 | 0.51 |
| 8. | MAMTA JAIN | 2756754 | 1.28 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 15-07-2016 | -1500000 | SOLD | 1256754 | 0.58 |
| | | | | 27-01-2017 | -10000 | SOLD | 1246754 | 0.51 |
| | | | | 31-03-2017 | -- | -- | 1246754 | 0.51 |
| 9. | SUSHIL FINANCIAL SERVICES PVT.LTD. | 860643 | 0.40 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 08-04-2016 | 41600 | BUY | 902243 | 0.42 |
| | | | | 15-04-2016 | 60413 | BUY | 962656 | 0.45 |
| | | | | 22-04-2016 | -42883 | SOLD | 919773 | 0.43 |
| | | | | 29-04-2016 | -36866 | SOLD | 882907 | 0.41 |
| | | | | 06-05-2016 | -25750 | SOLD | 857157 | 0.40 |
| | | | | 13-05-2016 | -15240 | SOLD | 841917 | 0.39 |
| | | | | 20-05-2016 | 16300 | BUY | 858217 | 0.40 |
| | | | | 27-05-2016 | 60600 | BUY | 918817 | 0.43 |
| | | | | 03-06-2016 | -16462 | SOLD | 902355 | 0.42 |
| | | | | 10-06-2016 | 523 | BUY | 902878 | 0.42 |
| | | | | 17-06-2016 | 24349 | BUY | 927227 | 0.43 |
| | | | | 24-06-2016 | -36507 | SOLD | 890720 | 0.41 |
| | | | | 30-06-2016 | 28878 | BUY | 919598 | 0.43 |
| | | | | 01-07-2016 | 4144 | BUY | 923742 | 0.43 |
| | | | | 08-07-2016 | 69737 | BUY | 993479 | 0.46 |
| | | | | 15-07-2016 | 226155 | BUY | 1219634 | 0.57 |
| | | | | 22-07-2016 | -252602 | SOLD | 967032 | 0.45 |
| | | | | 29-07-2016 | -83158 | SOLD | 883874 | 0.41 |
| | | | | 05-08-2016 | -28700 | SOLD | 855174 | 0.40 |
| | | | | 12-08-2016 | -14248 | SOLD | 840926 | 0.39 |
| | | | | 19-08-2016 | -110643 | SOLD | 730283 | 0.34 |
| | | | | 26-08-2016 | 38259 | BUY | 768542 | 0.36 |
| | | | | 02-09-2016 | -22134 | SOLD | 746408 | 0.35 |
| | | | | 09-09-2016 | 8407 | BUY | 754815 | 0.35 |
| | | | | 16-09-2016 | -7152 | SOLD | 747663 | 0.35 |
| | | | | 23-09-2016 | -26827 | SOLD | 720836 | 0.33 |
| | | | | 30-09-2016 | 1195336 | BUY | 1916172 | 0.89 |
| | | | | 07-10-2016 | -1136475 | SOLD | 779697 | 0.36 |
| | | | | 14-10-2016 | 95 | BUY | 779792 | 0.36 |
| | | | | 21-10-2016 | -25764 | SOLD | 754028 | 0.35 |
| | | | | 28-10-2016 | -5177 | SOLD | 748851 | 0.35 |
| | | | | 04-11-2016 | -174521 | SOLD | 574330 | 0.27 |
| | | | | 11-11-2016 | -6915 | SOLD | 567415 | 0.26 |
| | | | | 18-11-2016 | 72970 | BUY | 640385 | 0.30 |
| | | | | 25-11-2016 | 703212 | BUY | 1343597 | 0.62 |
| | | | | 02-12-2016 | -512111 | SOLD | 831486 | 0.34 |

| | | | | | | | | |
|-----|-------------------------|---------|-------|------------|-----------|---------|---------|------|
| | | | | 09-12-2016 | -256176 | SOLD | 575310 | 0.23 |
| | | | | 16-12-2016 | 82281 | BUY | 657591 | 0.27 |
| | | | | 23-12-2016 | -89994 | SOLD | 567597 | 0.23 |
| | | | | 30-12-2016 | 90437 | BUY | 658034 | 0.27 |
| | | | | 06-01-2017 | -26743 | SOLD | 631291 | 0.26 |
| | | | | 13-01-2017 | 83417 | BUY | 714708 | 0.29 |
| | | | | 20-01-2017 | 578887 | BUY | 1293595 | 0.53 |
| | | | | 27-01-2017 | -541648 | SOLD | 751947 | 0.31 |
| | | | | 03-02-2017 | -52307 | SOLD | 699640 | 0.29 |
| | | | | 10-02-2017 | -49513 | SOLD | 650127 | 0.27 |
| | | | | 17-02-2017 | 629735 | BUY | 1279862 | 0.52 |
| | | | | 24-02-2017 | -535245 | SOLD | 744617 | 0.30 |
| | | | | 03-03-2017 | 166454 | BUY | 911071 | 0.37 |
| | | | | 10-03-2017 | -108170 | SOLD | 802901 | 0.33 |
| | | | | 17-03-2017 | 47088 | BUY | 849989 | 0.35 |
| | | | | 24-03-2017 | -9285 | SOLD | 840704 | 0.34 |
| | | | | 31-03-2017 | 240318 | BUY | 1081022 | 0.44 |
| 10. | BUNTY KHANNA | 1050000 | 0.49 | 01-04-2016 | NO CHANGE | -- | -- | -- |
| | | | | 31-03-2017 | | 1050000 | 0.43 | -- |
| 11. | PAVANKUMAR MODI | 1239035 | 0.575 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 15-04-2016 | -5000 | SOLD | 1234035 | 0.57 |
| | | | | 27-05-2016 | -10035 | SOLD | 1224000 | 0.57 |
| | | | | 24-06-2016 | -5000 | SOLD | 1219000 | 0.57 |
| | | | | 30-06-2016 | -15000 | SOLD | 1204000 | 0.56 |
| | | | | 15-07-2016 | -412000 | SOLD | 792000 | 0.37 |
| | | | | 22-07-2016 | -9000 | SOLD | 783000 | 0.36 |
| | | | | 29-07-2016 | -3000 | SOLD | 780000 | 0.36 |
| | | | | 05-08-2016 | -2000 | SOLD | 778000 | 0.36 |
| | | | | 12-08-2016 | -19202 | SOLD | 758798 | 0.35 |
| | | | | 19-08-2016 | -798 | SOLD | 758000 | 0.35 |
| | | | | 26-08-2016 | -12000 | SOLD | 746000 | 0.35 |
| | | | | 02-09-2016 | -3000 | SOLD | 743000 | 0.35 |
| | | | | 14-10-2016 | -6000 | SOLD | 737000 | 0.34 |
| | | | | 21-10-2016 | 2000 | BUY | 739000 | 0.34 |
| | | | | 02-12-2016 | -12000 | SOLD | 727000 | 0.30 |
| | | | | 09-12-2016 | -29250 | SOLD | 697750 | 0.28 |
| | | | | 30-12-2016 | -10000 | SOLD | 687750 | 0.28 |
| | | | | 06-01-2017 | -2000 | SOLD | 685750 | 0.28 |
| | | | | 31-03-2017 | -- | -- | 685750 | 0.28 |
| 12. | DINESH B SHAH NO-2. HUF | 1285201 | 0.596 | 01-04-2016 | -- | -- | -- | -- |
| | | | | 18-11-2016 | 10000 | BUY | 1295201 | 0.60 |
| | | | | 02-12-2016 | 775153 | BUY | 2070354 | 0.84 |
| | | | | 20-01-2017 | -1960000 | SOLD | 110354 | 0.05 |
| | | | | 10-02-2017 | 389646 | BUY | 500000 | 0.20 |
| | | | | 31-03-2017 | -- | -- | 500000 | 0.20 |

SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | Name of Director & KMP | Date | No. Of Shares | % Of Total Share Capital of the Company | Reason |
|---------|--|------------|---------------|---|--------|
| 1. | AMRUT P. SHAH (CHAIRMAN & MANAGING DIRECTOR) | | | | |
| | At the beginning of the year | 01-04-2016 | 22283925 | 10.34 | -- |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | -- | -- | -- | -- |
| | At the End of the year | 31-03-2017 | 22283925 | 9.07 | -- |
| 2. | SHANTILAL P. SHAH (WHOLE-TIME DIRECTOR) | | | | |
| | At the beginning of the year | 01-04-2016 | 14787157 | 6.86 | -- |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | -- | -- | -- | -- |
| | At the End of the year | 31-03-2017 | 14787157 | 6.02 | -- |

| | | |
|----|--|--|
| 3. | MANIKANDAM PARMESHWARAM KAMMENCHERY (INDEPENDENT DIRECTOR) | NO SHARES HELD DURING THE YEAR/TENURE. |
| 4. | KAUSHAL RAJESH SHETH (INDEPENDENT DIRECTOR) | |
| 5. | MINJAL VIPUL KADAKIA (INDEPENDENT DIRECTOR) | |
| 6. | RAJESH JAIN (CFO) | |
| 7. | BHAVESH CHHEDA (CS) | |
| 8. | MANIK MAKWANA (CS) | |

| INDEBTEDNESS: | | | | |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | (Amount in ₹) |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| 1. Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount | 6104000670 | 294946681 | -- | 905347351 |
| (ii) Interest due but not paid | -- | -- | -- | -- |
| (iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i+ii+iii) | 6104000670 | 294946681 | -- | 905347351 |
| 2. Change in Indebtedness during the financial year | | | | |
| Additions | 98743753 | 125198194 | -- | 223941947 |
| Reduction | 258210655 | 108143944 | -- | 366354579 |
| Net Change | -159466882 | 17054250 | -- | -142412632 |
| 3. Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 450933788 | 306876108 | -- | 757809896 |
| (ii) Interest due but not paid | -- | -- | -- | -- |
| (iii) Interest accrued but not due | -- | 5124823 | -- | 5124823 |
| TOTAL (1+2+3) | 450933788 | 312000931 | -- | 762934719 |

| REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: | | | | |
|--|--|-----------------------------------|---|---------------------|
| A- Remuneration to Managing Director, Whole-time Director: | | | | (Amount in ₹) |
| Sr. No. | Particulars of Remuneration | Name of MD/WTD | | Total |
| 1. | Gross salary | Amrut P. Shah (Managing Director) | Shantilal P. Shah (Whole-time Director) | |
| | A. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 33,90,000 | 26,10,000 | 60,00,000 |
| | B. Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | C. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | 0 | 0 | 0 |
| 5. | Others, please specify | 0 | 0 | 0 |
| | TOTAL | 33,90,000 | 26,10,000 | 60,00,000 |
| | Ceiling as per the Act | 1,20,00,000 | 60,00,000 | 1,80,00,000 |
| B- Remuneration to other directors: Not Applicable (No Remuneration is paid to other Directors) | | | | |
| C- remuneration to key managerial personnel other than MD/MANAGER/WTD: | | | | |
| | | | | (Amount in ₹) |
| Sr. No. | Particulars of Remuneration | Name of Key Managerial Person | | |
| 1. | Gross salary | Rajesh Jain (CFO) | *Bhavesh Chheda (CS) | *Manik Makwana (CS) |
| | A. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,20,000 | 20,161 | 3,99,300 |
| | B. Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | C. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | 0 | 0 | 0 |



| | | | | | |
|--|------------------------|----------------|--------|----------|-----------|
| 5. | Others, please specify | 0 | 0 | 0 | 0 |
| | TOTAL | 13,20,000 | 20,161 | 3,99,300 | 17,39,461 |
| | Ceiling as per the Act | NOT APPLICABLE | | | |
| *Mr. Manik Makwana resigned from the office of Company Secretary w.e.f. February 24, 2017 and Mr. Bhavesh Chheda was appointed as Company Secretary w.e.f. March 07, 2017. | | | | | |

| PENALTIES/ PUNISHMENTS/ COMPOUNDING OF OFFENCES: | | | | |
|--|------------------------------|-------------------|--|------------------------------|
| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT/ COURT] |
| Penalty | 0 | 0 | 0 | 0 |
| Punishment | 0 | 0 | 0 | 0 |
| Compounding | 0 | 0 | 0 | 0 |
| OTHER OFFICERS IN DEFAULT | | | | |
| Penalty | 0 | 0 | 0 | 0 |
| Punishment | 0 | 0 | 0 | 0 |
| Compounding | 0 | 0 | 0 | 0 |

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
(DIN: 00033120)
Chairman & Managing Director

Date: August 08, 2017

Place: Mumbai

ANNEXURE-2**NOMINATION, REMUNERATION AND EVALUATION POLICY PURPOSE:**

The primary objective of the Policy is to provide a framework and set standards for the Nomination, Remuneration and Evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

ACCOUNTABILITIES:

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

DEFINITIONS:

A. Key Managerial Personnel: Key Managerial Personnel means-

1. Chief Executive Officer or the Managing Director or the Manager;
2. Company Secretary;
3. Whole-time Director;
4. Chief Financial Officer;
5. Such other officer as may be prescribed.

B. Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

OBJECTIVE OF THE POLICY:

As required under the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, constituted a Board level committee titled "Nomination and Remuneration Committee" (herein after referred as the Committee) to oversee, inter-alia, matters relating to:

- A.** Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- B.** Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- C.** Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- D.** Carry out Annual Performance Evaluation of every Director's performance including that of Independent Directors and
- E.** Devise a policy on Board Diversity.

This Policy sets out the framework and guidelines that the said Committee is expected to observe in discharging its functions effectively as contemplated under aforesaid provisions i.e. to oversee process of identifying persons qualified to become

Directors of the Company, determining their qualifications, positive attributes and independence as well as identifying persons who may be appointed in senior management in accordance with the Company's internal requirements from time to time; in making its recommendations to the Board as to their appointment or removal as the case may be and to carry out evaluation of every director's performance including Independent Directors.

This Policy also contains the remuneration policy relating to the remuneration of the Directors, Key Managerial and Senior Managerial Personnel as well as policy on Board Diversity as recommended by the Committee and approved by the Board.

It is to be noted that framework and guidelines set out hereunder is subject to such periodical reviews and the Committee in consultation with Board of Directors and top management of the Company, may make such alterations as may be required from time to time to meet the exigencies arising out of statutory modifications or otherwise.

NOMINATION CRITERIA FOR DIRECTORS:

In identifying and recommending the candidature for appointment as Director, the Committee will consider any or all of the following criteria:

- 1.** Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.
- 2.** Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, Engineering, Medicine, Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Technical Operations or other disciplines related to preferably the company's business.
- 3.** Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force, as the case may be;
- 4.** Ensure that the proposed Director consents to act as Director and can devote his time and energies towards the overall development and betterment of the Company's business.
- 5.** Ensure that the proposed Director discloses his interest and Company's shareholding, if any and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
- 6.** Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.

ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the

Companies Act, 2013 read with applicable rules and Schedule IV thereunder and SEBI (LODR) Regulations, 2015 including any amendments made thereof from time to time.

NOMINATION CRITERIA FOR KMPS / SENIOR MANAGEMENT PERSONNEL:

The committee will consider:

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.
2. Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Ensure that the person discloses his interest and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
4. Ensure that the Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of Twenty-one years or has attained the age of Seventy Years without the approval of shareholders by passing a Special Resolution with proper justification.

ADDITIONAL RESPONSIBILITY OF THE BOARD:

It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force and applicable as the case may be.

TERM / TENURE, CONTINUITY AND RENEWAL:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. The terms of KMPS and other Senior Management employees shall be governed under their respective terms of appointment. As regards the continuity or renewal of appointment of Directors; their resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws including listing agreement relating to disqualifications, resignation, removal and retirement. Directors, KMPS and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit

MATTERS PERTAINING TO REMUNERATION:

This policy also sets out the following remuneration policy applicable to the remuneration payable to Directors, Key Managerial and other Senior Managerial Personnel and other employees of the Company.

GENERAL:

1. The Company's remuneration policy, in general, is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.
2. The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality or expertise required to run the company successfully;
 - b) The remuneration is comparable and in proportion to the accepted industry standards;
 - c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - d) To the extent possible, such remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3. The remuneration / compensation / commission etc. so recommended shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
4. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.
5. Where if any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
6. Loans, advances and other similar kind of benefits to KMPS, Senior Management Personnel will be governed by Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

REMUNERATION TO EXECUTIVE DIRECTORS, KMPS AND SENIOR MANAGEMENT PERSONNEL:

A. Fixed pay:

The Executive Director/ KMPS shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and/or Central Government, wherever required. Besides, Managing Director may be eligible for commission such that the total remuneration payable shall not exceed 5% of the net profits for each financial year as determined under the provisions of the Companies Act, 2013. Remuneration payable to Senior Management Personnel will be governed by their respective terms of appointment.

B. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors including Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

C. Provisions for excess remuneration:

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS:**A. Sitting Fee:**

The Non- Executive / Independent Directors may receive remuneration by way of fee for attending meetings of Board or Committee thereof. Provided that the amount of such fee shall not exceed such amount per meeting as may be prescribed under the provisions of the Companies Act, 2013 and rules made thereunder (as amended from time to time and approved by the Board).

B. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

MATTERS PERTAINING TO EVALUATION:

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, Listing Agreement with Stock Exchanges, Internal Code of Conduct and Policies formulated by the Company for its internal execution. Therefore it is necessary for the company to carry out the evaluation of all the directors on an annual basis. As regards the evaluation process; the scheme of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 contemplates that:

1. As required under Section 134(3)(p) of the Companies Act, the manner of formal evaluation made by Board of Directors of its own performance, that of its committees and individual Directors shall be disclosed in Board's Report;

2. As required under Section 178(2), the Nomination and Remuneration Committee shall carry out evaluation of every Director's performance;

3. As required under Clause VII of Schedule IV to the Companies Act, 2013; in the separate meeting held by the Independent Directors:

i. Performance of the Non-Independent directors and the Board as a whole shall be reviewed and

ii. Performance of the Chairperson of the Company (after taking into account views of Executive and Non-Executive Directors) shall be reviewed.

4. SEBI (LODR) Regulations, 2015 stipulates that the Nomination & Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors and

5. SEBI (LODR) Regulations, 2015 stipulates that the performance of Independent Directors shall be done by the entire Board.

As regards the evaluation criteria to be followed by Board for its evaluation of Committees and other Directors including Independent Director or Non-Independent Directors, the same are dealt in other documents dealing with respective criteria of evaluations including the Duties, Responsibilities and key functions of Board as contemplated under the Act and SEBI (LODR) Regulations, 2015. In all these cases, be it by Board or by Independent Directors, the evaluation of each Director would be done based on parameters like:

A. Well informed and understand the Company, its business and the external environment in which it operates;

B. Prepare well and participate actively in the Board and its committee meetings;

C. Effectively probe to Test the assumptions; rendering independent and unbiased opinion;

D. Assertive in holding to their views and resisting pressure from others;

E. Follow-up on matters about which they have expressed concern;

F. Strive to attend all meetings of the Board of Directors, Committees and General meetings;

G. Contributions in development of a Strategy, Business Plan or Risk Management;

H. Maintenance of good interpersonal and cordial relationship with other Board members, KMPs and Senior Management Personnel;

I. Diplomatic and convincing way of presenting their views and listening to views of others;

J. Up-to-date with the latest developments in areas such as the corporate governance framework, financial reporting and in the industry and market conditions etc.,

K. Adhering to ethical standards, Code of Conduct of the Company and Insider Trading guidelines etc.,

L. Making timely disclosures of their interest and disclosure of non-independence, when it exists;

M. His/her contribution to enhance overall brand image of the Company.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board will carry out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees of the Board as applicable to the Company. Method of Performance Evaluation will be decided by board from time to time, Such as Questionnaire method, Comparison Method or and other method as may be decided by board. The Committee also follows the same in evaluating each Director of the Company. Further, the Executive Directors will be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time and Independent Directors would be evaluated by entire Board based on Professional Conduct, Roles, Functions and Duties as contemplated under Schedule IV of the Act, apart from their evaluation as Directors based on aforesaid criteria. The performance evaluation of the Chairman and the Non Independent Directors will be carried out by the Independent Directors who will also review the performance of the Secretarial Department.

ANNEXURE-3
Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and
rule 9 of the Companies (Appointment and Remuneration
Personnel) Rules, 2014]

To,
The Members,
Sundaram Multi Pap Limited
CIN: L21098MH1995PLC086337
5/6 Papa Industrial Estate,
Suren Road, Andheri (East),
Mumbai: 400093.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- 1.** The Companies Act, 2013 (the Act) and the rules made there under (including the applicable provisions of Companies Act, 1956 in force during the Audit period);
- 2.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3.** The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4.** Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a.** The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b.** The SEBI (Prohibition of Insider Trading) Regulations, 2015;

- c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit period);
- e. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
- f. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The SEBI (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period); and
- h. The SEBI (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period);

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

- a. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India and notified by the Government.
- b. 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.

We further report that the Composition of the Board of Directors of the Company is proper with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required in compliance with the provisions of the Act. There were no changes were carried out in the composition of the Board of Directors.

Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meeting was called and held at shorter notice in compliance with the provisions of the Companies Act, 2013, 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 meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous or with requisite majority and no dissenting views have been recorded.

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

We further report that during the audit period the Company had, pursuant to Conversion of Loan into Equity, made an investment of ₹ 13,70,00,000/- (Rupees Thirteen Crores Seventy Lacs Only) in 1,37,00,000 (One Crore Thirty Seven Lacs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each of its Wholly-owned Subsidiary Company, namely, E-class Education Systems Limited.

We further report that during the audit period, the Company had issued and allotted 3,00,00,000 (Three Crore) Equity Shares of face value of ₹ 1/- (Rupee One Only) each, at a price of ₹ 4.10/- (Rupees Four and Ten Paise Only) each i.e. at a premium of ₹ 3.10/- (Rupees Three and Ten Paise Only) each, on QIP basis.

We further report that during the audit period, the members had passed the special resolution at the Annual General Meeting of the Company, held on August, 29, 2016, for issue of the share warrants to the promoters on preferential basis. However, the promoters could not subscribe to the said share warrants within the specified time limit and hence the said share warrants could not be allotted to the promoters.

There were no instances of:

- 1.Public/Rights/Preferential issue of shares / debentures/ sweat equity.
- 2.Redemption / buy-back of securities.
- 3.Major decisions taken by under section 180 of the Companies Act, 2013.
- 4.Merger /amalgamation /reconstruction, etc. V. Foreign technical collaborations.

For **A. V. Shah & Associates**
Practicing Company Secretary

Amisha Shah
Proprietor
C.P.No.: 13399
Membership No.: F8798

Date: 08-08-2017
Place: Mumbai

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

Annexure A

To,
The Members,
Sundaram Multi Pap Limited
CIN: L21098MH1995PLC086337
5/6 Papa Industrial Estate,
Suren Road, Andheri (East),
Mumbai: 400093.

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

For **A. V. Shah & Associates**
Practicing Company Secretary

Amisha Shah
Proprietor
C.P.No.: 13399
Membership No.: F8798

Date: 08-08-2017
Place: Mumbai

ANNEXURE-4

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A": Subsidiaries

| Name of the Subsidiary | E-Class Education System Limited |
|---|--|
| 1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April 01 to March 31 (Same as of the Holding Company) |
| 2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A. |
| 3. Share Capital | Authorized, Issued, Paid up & Subscribed Capital: ₹ 38,70,00,000 |
| 4. Reserves & Surplus | (₹ 21,66,91,877) |
| 5. Total Assets | ₹ 21,63,73,756 |
| 6. Total Liabilities | ₹ 21,63,73,756 |
| 7. Investments | Nil |
| 8. Turnover | ₹ 4,89,79,112 |
| 9. Profit before Taxation | ₹ 1,19,142 |
| 10. Provision for Deferred Tax | ₹ 1,55,59,947 |
| 11. Profit after Taxation | (₹ 1,53,61,839) |
| 12. Proposed Dividend | Nil |
| 13. % of Shareholding | 100% |
| Note: above mentioned detail is as on March 31, 2017. Part B is not applicable to the Company. | |

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
(DIN: 00033120)
Chairman & Managing Director

Date: August 08, 2017
Place: Mumbai

ANNEXURE-5

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| The percentage increase in remuneration of each Director, other Key Managerial Personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2016-17 are as under: | | | | |
|---|--|---|------------------------------|--|
| Name of Director/ KMP | Remuneration of Director/ KMP for Financial Year 2016-17 | % increase in remuneration in financial year 2016-17 | Ratio to median remuneration | Comparison of the Remuneration of the KMP against the performance of the Company |
| Mr. Amrut P. Shah (Chairman & Managing Director) | ₹33,90,000 | Remuneration paid is within the limits approved by Shareholders. | 20.12 | Company has incurred a net loss of ₹ 430.64 Lacs for the year ended March 31, 2017 as compared to the loss of ₹ 641.22 Lacs for the year ended March 31, 2016. |
| Mr. Shantilal P. Shah (Whole-time Director) | ₹26,10,000 | | 15.49 | |
| Mr. Rajesh Jain (CFO) | ₹13,20,000 | 10% | 7.83 | |
| Mr. Manik Makwana (CS) | ₹3,99,300** | 10% | 2.37 | |
| Mr. Bhavesh Chheda (CS) | ₹20161** | NA | 0.12 | |
| No remuneration or sitting fees is paid to the Non-executive Directors or Independent Directors of the Company. | | | | |
| **Mr. Manik Makwana resigned from the office of Company Secretary w.e.f. February 24, 2017 and Mr. Bhavesh Chheda was appointed as Company Secretary w.e.f. March 07, 2017. | | | | |
| Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16. | | 2016-17 | 2015-16 | Increase (%) |
| | | ₹1,68,526 | ₹1,39,820 | 20.53 |
| Number of permanent employees on the rolls of the company as on 31-03-2017. | | 126 | | |
| Average percentile increase in salaries of Employees other than managerial Personnel | | 2016-17 | 2015-16 | Increase (%) |
| | | ₹1,76,119 | ₹1,91,142 | Due to reduction in no. of employees' average salary of the employees reduced. |
| Percentile increase in the managerial remuneration | MD & WTD | ₹6,000,000 | ₹30,00,000 | 100%. Remuneration paid is within the limits approved by Shareholders. |
| | CFO & CS | ₹17,39,461 | ₹15,96,000 | 10% |
| Comparison of above | | Remuneration of MD & WTD is within the limit approved by Shareholders. Remuneration of Managerial Personnel other than MD & WTD and remuneration of other employees was increased by 10%. | | |

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
(DIN: 00033120)
Chairman & Managing Director

Date: August 08, 2017
Place: Mumbai

ANNEXURE-6

Corporate Social Responsibility (CSR)

[Pursuant to sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:-

The Company has considered CSR as an integral part of its operation. The Company has been a socially responsible corporate and considered expenditure on CSR as investment in Company which build Company's reputation.

The Company's policy on CSR including overview of projects or programs proposed to be undertaken is put up on the website of the Company at the link <http://www.sundaramgroups.in/company-policies/>

2. The Composition of the CSR Committee:

| Name | Category | Designation |
|-------------------------------|-----------------|--------------------|
| Mr. Kaushal R. Sheth | NED (I) | Chairman |
| Mr. Manikandam P. Kammenchery | NED (I) | Member |
| Ms. Minjal V. Kadakia | NED (I) | Member |

3. Average net profit of the company for last three financial years: There is Average loss in last three financial years.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): N.A

5. Details of CSR spent during the financial year: NA

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

Since, there was average loss in the last three immediately preceding financial years of your Company; the management was not required to conduct any CSR related activities.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
(DIN: 00033120)
Chairman & Managing Director
Date: August 08, 2017
Place: Mumbai

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY SCENARIO, STRUCTURE & DEVELOPMENTS:

• STATIONERY BUSINESS

Conventionally, stationery stands for a wide gamut of materials like paper, office supplies, writing implements, greeting cards, etc. However, as per the contemporary definition of the term, 'stationery' more specifically relates to materials used for formal or personal correspondence. The Indian stationery industry comprises of a wide variety of products and categories. It can roughly be classified into paper products, writing instruments, computer stationery, school stationery, and office stationery.

From childhood and early education to employment and beyond, stationery products touch every stage of life. Products such as pens, pencils, papers and other accessories have a place in homes, offices, businesses and classrooms around the world. The stationery market evolved over the years to offer a wide array of products catering to different consumer segments. While education sector drives significant demand for basic stationery products, Office supplies too have been contributing considerably to the market. While carbon paper, inked ribbons, mailing supplies, and writing instruments have been a common feature in Office since long, modern enterprise sector, typically corporate and branch Office have been generating substantial demand for products such as marking devices, writing pads, binders, and party goods, among others. Health of enterprise sector, as represented by number of new Office starts and branch expansions typically dictate growth patterns in Office use stationery supply market.

Stationery products market in India has expanded considerably in the recent years driven by the growth in the literacy rates, increased enrollment and increasing corporate offices. The stationery industry has a number of domestic players who are consolidating their presence to cater to the pan India market. Players are sprucing up their distribution and marketing strategies and are focusing on branding and promotional activities to reach a wider audience. Design and aesthetic appeal of stationery products are now a focus area as a key product differentiator with a view to build brand loyalty. Organized retail channels have aided growth in the stationery market and a few players have also set up exclusive brand outlets for their product range.

Multinational stationery manufacturers are showing a keen interest in the India and several players have entered the industry either through direct subsidiaries or partnerships with domestic companies. Companies are investing in R&D and automation to produce innovative and user friendly products. Stationery industry has a wide range of products ranging from paper, note books and note pads to pens and other writing instruments as well as colour stationery.

Indian Stationery Industry is a much unorganized group of business usually associated with the Schools, colleges and Office and plays a very crucial role in working of any organization across the globe. It includes Paper Stationery which comprises

of a vast collection of products like exercise books, notebooks, stitch, glued & tape pads, refill pads, flap over pads, subject books, plastic cover books, etc. Indian stationary sector is one of the rapidly growing sectors of the Indian economy as there is rapid rise in per capita expenditure on the education. Government is also generously spending on the education sector leading to the rapid growth of stationary business in India. Except few major players this sector is left totally to the unorganized sector. Most of the demand of the local market is being served by the local player. There is not a single player who can claim that it is leader in the stationary sector.

• E-LEARNING SEGMENT

The traditional learning system had been used in India and was sustainable for long. But the educational needs are changing and a global education standard is imposing itself and forcing the Indian education system to undergo many changes. The concept of e-learning is definitely gaining popularity in the country but at a slow pace as compared to other countries. E-learning is a useful medium through which India can attain the goal of reaching the unreached in rural areas, motivating the learners for higher education as well as woman empowerment through their education.

The percentage of literate population in the total population has increased from 65% in 2001 to 74% in 2011. E-learning can prove helpful to reduce the illiteracy as the advancement in technology and communication has made teaching and training possible anywhere, anytime. The Learner can learn anywhere; i.e. outside the boundaries of formal classroom. It is a very powerful medium for pre-primary and primary education as it is in audio visual form and can attract even the school dropouts.

According to a recent study in a global level online learning program, after the United States, India has been reported to have the second highest number of online course enrollments with more than over 1,55,000 students from the country. Of a total of around 1.2 million students worldwide, 32% are from the U.S while 15% are from India. India's online education market size is set to grow to \$40 billion from the current \$20 billion. Growing focus and emphasis of the government on Digital India has further added fuel to e-learning.

India holds an important place in the global education industry. The country has more than 1.4 million schools with over 227 million students enrolled and more than 36,000 higher education institutes. India has one of the largest higher education systems in the world. However, there is still a lot of potential for further development in the education system. India has become the second largest market for e-learning after the US. The sector is currently secured around US\$ 23 billion, and is expected to touch around US\$ 40 billion. The distance education market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of around 34 percent during 2013-14 to 2017-18. Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the distance education in India.

Increasing Technology Adoption to Drive Future Growth provides a comprehensive analysis of the market size of India E-learning market, market segmentation by content and technology and allied services.

Indian E-learning technology market grew at a CAGR of around 14.4%. The technologies which elicit education to shift online are e-learning software, hardware and technologies such as cellphones, laptops, connectivity solutions, hybrid devices such as tablets, pen-drives, memory cards, mobile applications etc., and others, as people are increasingly comfortable in operating modern gadgets. The Internet has changed the online learning segment in current times with a larger number of educational institutes, corporates and also training centers providing knowledge by means of online courses and programs.

DEMAND AND MARKET OPPORTUNITY:

The global market for Stationery Products is projected to exceed US\$226 billion by 2020, driven by steadily improving literacy rates, increasing school enrollments, favorable demographics and growing enterprise activity.

Growing levels of literacy has made basic stationery items such as pens, pencils and paper universal products across the globe. The global stationery products market is experiencing growth at the back of rising youth population, need for education, growing number of primary & secondary educational institutions, and ever increasing student enrollments across the world.

Future growth in the global stationery products market is expected to come from emerging economies in Asia, Latin America, Middle East and Africa. Key factors driving growth in these markets include growing population, expanding base of professionals, increasing literacy rates, rising disposable income, increased spending on education, government initiatives to improve education sector, and a parallel increase in number of school establishments.

The industry is expected to register CAGR growth of 15 per cent in the next few years. The writing paper industry is estimated at ₹ 10,000 crore and notebooks have share of ₹ 7,000 crore. Also report of Federation of Maharashtra Stationery Manufacturers & Traders Association says that there is tremendous potential of growth in the domestic market as the country has nearly 2224 crore students studying and requires notebooks and other stationery materials for study. Also with the government's ambitious 'Sarva Shiksha Abhiyan' will also see huge investment of ₹ 60,000 crore spend will benefit the industry.

The demand for exercise books is more during the first two quarters of the financial year. Similarly, registers, writing pads etc. are essential in every office, institutions, organizations, etc. Sources like schools, colleges, offices influenced by macroeconomic development, national income, urbanization. (mainly government agencies) are prime client base for the

industry. There are many sorts of stationery products; Paper stationery products include notebooks, exercise books; flip over pads and plastic cover books play a vital part in further increasing the business of these paper stationery products. Products like notebooks and other school and college usable products are mostly sold in the educational category. There are some products which are widely used in the official background such as the noting pads, files and folders and printing sheets.

Going by the market research, paper market is gaining huge demands in the recent years and the stationery products segment has primarily been positively impacted globally due to the increase in numbers of educational institutions and offices. Commercial organizations are creeping up due to the business development that is happening throughout the world. The past few years have recorded immense growth in both export and import quantity for the products resulting in profitable trends of the sector. The requirements for these stationery products especially the office stationery segment has risen due to the usage of computers.

SEGMENT WISE PERFORMANCE OF THE COMPANY:

- **Exercise Books & Papers:** Sales during the financial year ended March 31, 2017 was ₹ 9,434.54 Lacs as against the ₹ 9,602.13 Lacs during the previous financial year i.e. year ending as on March 31, 2016.
- **E-learning:** Leveraging the powers of Computers and using a blend of Internet, Mobile, and other means of Digital Communication Technologies, E-class Education System Limited our Wholly-owned Subsidiary Company is taking quality and affordable education to reach the millions of Students across the Maharashtra and even the remote areas of the State. E-class aims at educating the Majority of the Students across the state by providing various products such as Smartphone Application, Android Memory cards, Pen-drives etc. E-class offers E-Educational / Digital products mapped to the Maharashtra State board, for 1st to 10th Standard syllabus courses on all the Subjects in Marathi, English, Hindi, Urdu and Semi-English Languages. Our content have been designed and reviewed by eminent Academicians. It contains various chapter notes along with practical examples which can help to understand the concept. It also contains the question answer and Mind-map at the end of the chapter to test and enhance the knowledge. During the financial 2016-17, the Company recorded total revenue of ₹ 489.79 Lacs as against ₹ 250.70 Lacs in the F.Y. 2015-16.

With the increasing Government initiatives to promote the vision of Digital India, Universal digital literacy, universally accessible digital resources, the management is expecting an increase in the demand for E-learning content and positive for the future growth of the Company.

BUSINESS REVIEW/STATE OF THE COMPANY'S AFFAIRS:

Our Company is in the Business of School & Office Stationery as well as E-learning segment. The enormous size of

School and paper stationery industry of India makes it one of the most important sectors of Indian Economy. Increasing Economic Growth, High Literacy Rate, more Government Spending on Education, Growing Population, Urbanization, higher proportion of young adults, better living standards, shift in focus from inexpensive to quality products etc. are some major factors that are driving the paper stationery business to flourish. The thrust on education by the Government is the prime growth of the notebook industry. Big corporate have entered in this segment and are playing important role as well. In spite of many corporate are moving towards paperless offices, the paper market is growing. The demand of the e-learning segment is also because of improving industrial infrastructure, technologies and innovative ideas.

Indian Paper Stationery Industry, which is a part of the huge and scattered Indian stationery Industry, has been going through tremendous alteration in recent years. Despite growing competition from neighboring markets, Indian stationary industry has been able to firm its feet into the market with constant innovation and making it more and more customer centric. Indian companies have learnt that innovation, performance and versatility are the key area to be focused upon. Taking the points under consideration, the businessmen are now researching and developing new products, as the market is now more of consumer oriented which is always looking for cost effective prices.

The key drivers for E-learning market are: Increasing Government initiatives to promote the vision of Digital India, Universal digital literacy, universally accessible digital resources, technology up-gradation, Green Initiative etc. The strong Government initiatives pushing student enrolments in higher education and distance learning will keep propelling market expansion at an ever-increasing rate.

INDUSTRY SCENARIO (OPPORTUNITIES & THREATS):

Education is the fourth basic need of a man to survive and thus forms a major expenditure. India has a fast growing population and a very fast growing demand for stationery products. With growing economy, the per capita income is also increasing. Also, the Government's spend on education laying emphasis on building more schools have increased the demand for the stationery products in India. Increasing inclination towards reading & writing, rising penetration of Internet, huge base of educated middle class population with increasing discretionary incomes and improving educational systems is driving growth in sales of stationery products. Better living standards have shifted the focus of consumers from inexpensive products to branded quality products.

With extreme precautions, and the good quality products offered and new marketing strategies are followed, the government has also come out with various incentives for SME's. Particularly for stationary industry if we quote would be the education enhancement schemes which are giving growth to this sector. The Indian stationery market is also influenced by

macroeconomic development, national income, urbanization. The Indian stationery industry is highly scattered and is largely dominated by the unorganized sector and the situation is quite alarming for the organized players industry. Factors like lack of modern production facilities, unorganized nature of functioning, marginal demands, government policies and international competition are largely contributing to the slow growth of the organized stationery industry in India. Further, India is constantly challenged by the growing competition, especially from neighboring countries such as China, Indonesia and many other countries that supply higher quality products, as compared to India.

Also Digitization has altered the way consumers connect and communicate. This is transforming the stationery market by impacting the demand for these products as well as the design. The need for printing has reduced considerably as the digitization of several business processes, such as mail, forms, and data, has eliminated the need for traditional paper-based stationery products. Part of the reason for the growing digitization is that organizations increasingly prefer a paperless environment.

A paperless office environment renders the operations cost-effective and eco-friendly. Organizations consider a paperless environment an effective way to manage communication materials, as it increases accuracy in tracking and maintaining data. Vendors are thus making efforts to re-position and integrate stationery and cards in the current communication scenario with the help of technology.

Your Company is one of the prime players in the organized sector with the established brand 'Sundaram'. Your Company has modernized plants and automatic upgraded machines to produce quality products and which also allows your Company to take advantage of the economies of scale. Your company is also providing the platform for E-Learning through its Wholly-owned Subsidiary viz. E-class Education System Limited.

RISK AND CONCERN:

The risk is always the part and parcel of any business activity. The Company operates in a highly competitive environment that is subject to innovation and varying level of resources available to each player in this segment of business. The common risks inter alia are: Risk to Company Assets and Property, Employees Related Risks, Foreign Currency Risks, Risks associated with Non-Compliance of Statutory enactments, Competition Risks, Operational Risks, Business risk, Technology obsolescence, Investments, Retention of talent and Expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. Immense competition is faced by the company from the international players and unorganized sectors. The Company is constantly reviewing the risk that would impact adversely. Cost of raw material and inflationary pressure also increase the cost of manufacturing, but the availability of raw material from the suppliers at the right time and at the right price has enabled the company to reduce the cost

of manufacturing. For Inflationary pressures and its impact the company has taken suitable cost control steps. The Company's Human Risk is minimal as it enjoys a harmonious industrial relationship in the manufacturing units of the Company. Lack of clarity on future Government policy continues to be an area of major concern for the industry. The exact impact of this cannot be evaluated until the proposed changes are actually introduced and implemented.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY & DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Disclosure on Internal Financial Control and their adequacy & brief description on performance with respect to operational performance is given in Directors Report.

CAUTIONARY STATEMENT:

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Sundaram's ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

Company's philosophy on Corporate Governance is to ensure fairness, transparency, accountability and responsibility to all stakeholders. Your Company believes in a Code of Governance, which fulfills the Motto of "Service to Society through commercial activities." We have implemented a Corporate Governance Code to ensure proper quality, customer satisfaction, prompt payment to suppliers, good employee-employer relationship, legal compliance, proper debt servicing, maximizing value to equity shareholders and responsibility to the nation by timely payment of taxes.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

COMPOSITION OF BOARD OF DIRECTORS:

At Sundaram, the Board is at the core of the Corporate Governance practice. Your Company has the optimum combination of experience and expertise of the members on the Board of Directors. At present Out of 6 members on its Board, 3 (three) are Independent Directors and 3 (three) are Executive Directors consisting of one Managing Director and one Whole-time Director and one Executive Director. This appropriate composition of the Board of Directors enables in

maintaining the independence of the Board and separates its functions of governance and management. The Composition of Board is in conformity with Regulation 17 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and Provisions of Companies Act, 2013. As on March 31, 2017 Board consists of:

| Sr. No. | Name of Director(s) | Category | No. of Board Meeting Attended | Attendance at last AGM | Other Directorships as on 31-03-2017 | No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies as on 31/03/2017 | |
|---------|-------------------------------|----------------|-------------------------------|------------------------|--------------------------------------|---|--------|
| | | | | | | Chairman | Member |
| 1. | Mr. Amrut P. Shah | CMD (Promoter) | 16 | Yes | 2 | 0 | 0 |
| 2. | Mr. Shantilal P. Shah | WTD (Promoter) | 16 | Yes | 2 | 0 | 2 |
| 3. | Mr. Manikandam P. Kammenchery | NED (I) | 16 | Yes | 2 | 0 | 2 |
| 4. | Mr. Kaushal R. Sheth | NED (I) | 16 | No | 1 | 2 | 0 |
| 5. | Ms. Minjal V. Kadakia | NED (I) | 16 | Yes | 1 | 0 | 0 |

(MD: Chairman & Managing Director, WTD: Whole-time Director, NED: Non-Executive Director, I: Independent Director)

Mr. Krunal S. Shah was appointed as Additional Director (Executive) w.e.f. August 08, 2017.

During the financial year 2016-17, 16 (Sixteen) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are 23-05-2016, 20-06-2016, 07-07-2016, 25-07-2016, 08-08-2016, 10-09-2016, 09-11-2016, 15-11-2016, 21-11-2016, 24-11-2016, 28-11-2016, 19-12-2016, 28-12-2016, 05-01-2017, 10-02-2017 and 07-03-2017.

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

During the year, information as mentioned in Schedule II Part A of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company.

ROLE OF BOARD OF DIRECTORS:

Primary role of Board is that of trusteeship to protect and enhance the shareholders' value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder values and its growth. Board exercises its duties with care, skill and diligence. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills the Stakeholders aspirations and societal expectations.

RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

Mr. Amrut P. Shah, Chairman & Managing Director and Mr. Shantilal P. Shah, Whole-time Director are Brothers as well as promoter of the Company. Mr. Krunal S. Shah is son of Mr. Shantilal P. Shah, Whole-time Director.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

Non-executive Directors do not hold any shares or Convertible Securities in the Company. Details of Shares held by Directors and KMP is given in Extract of Annual Report (MGT-9), which is forming part of Directors report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Your Company has in place a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the Company operates, business model of the company, etc., through various programs. At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading. The details of such Familiarization Programs and Policy for the same disclosed in the website of the Company at <http://www.sundaramgroups.in/company-policies/>.

AUDIT COMMITTEE:

The Audit Committee is duly constituted in accordance with the Listing Agreement read with SEBI (LODR) Regulations 2015 and of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. It adheres to the terms of reference, prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015.

Composition of Audit Committee as on March 31, 2017:-

| Sr. No. | Name | Category | Designation | No. of Meetings | |
|---------|---------------------------|----------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Kaushal R. Sheth | NED (I) | Chairman | 5 | 5 |
| 2. | Manikandam P. Kammenchery | NED (I) | Member | 5 | 5 |
| 3. | Minjal V. Kadakia | NED (I) | Member | 5 | 5 |

During the FY 2016-17 Five (5) Audit Committee Meetings were held. Date(s) on which meeting(s) were held are 23-05-2016, 25-07-2016, 08-08-2016, 09-11-2016, and 10-02-2017.

Mr. Bhavesh Chheda, Company Secretary & Compliance Officer of the Company acting as Secretary of the Committee.

All the recommendations made by the Audit Committee during the year were accepted by the Board. The Audit Committee is empowered, pursuant to its terms of reference and its role, *inter alia*, includes the following:

1. Overseeing your Company's Financial Reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act 2013;
 - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgments by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with the Listing Regulations and other legal requirements relating to financial statements.
 - d. Disclosure of any related party transactions; and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary company and investments made by the unlisted subsidiary companies.
6. Reviewing and considering the following with respect to appointment of auditors before recommending to Board:
 - a. Qualifications and experience of the individual/firm proposed to be considered for appointment as auditors;
 - b. Whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. Giving due regard to any order or pending proceedings relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, fixing audit fees and approving payments of any other service;

8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the Statutory auditors;
10. Reviewing management letters/letters of internal control weakness issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit and process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the company.
16. Discussion with the internal auditors on internal audit reports relating to internal control weakness and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors in to matters where there is a suspected fraud or irregularity of failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same.
23. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;
25. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
26. Any other matter referred to by the Board of Directors. Detailed

terms of reference are also placed on the website of the Company at <http://www.sundaramgroups.in/wp-content/uploads/2015/02/Audit-Committee.pdf>

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Listing Agreement read with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Composition of Nomination And Remuneration Committee as on March 31, 2017:-

| Sr. No. | Name | Category | Designation | No. of Meetings | |
|---------|---------------------------|----------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Kaushal R. Sheth | NED (I) | Chairman | 2 | 2 |
| 2. | Manikandam P. Kammenchery | NED (I) | Member | 2 | 2 |
| 3. | Minjal V. Kadakia | NED (I) | Member | 2 | 2 |

During the FY 2016-17 Two (2) NRC Meetings were held. Date(s) on which meeting(s) were held are 23-05-2016 and 05-03-2017. Mr. Bhavesh Chheda, Company Secretary & Compliance Officer of the Company acting as Secretary of the Committee.

The purpose of the Committee is to identify and review the individuals qualified to serve executive directors, Non-executive Directors or Independent Directors, or Key Managerial Personnel, consistent with criteria approved by the board, and to recommend to the Board for approval by Board, or nominees for election at the AGM.

Pursuant to the provision of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee carried out evaluation of every Director's performance for the financial year 2016-17 in their meeting held on 23-05-2017.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration policy:

1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. Reviewing and recommending to the Board, the remuneration

payable to Directors of your Company; and

7. Undertake any other matters as the Board may decide from time to time. Detailed terms of reference are also placed on the website of the company at <http://www.sundaramgroups.in/wp-content/uploads/2015/02/Nomination-and-Remuneration-Committee1.pdf>

The Nomination and remuneration policy provides for appropriate composition of Executive, Non-Executive and Independent Director on the Board of Directors of your company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section 3 of Section 178 of the Companies Act, 2013. The remuneration paid to directors is as per the terms laid out in the Nomination and Remuneration policy of your company. Policy on Nomination, Remuneration and Evaluation has been annexed to the Board Report.

Details of Remuneration paid to Executive Directors are given below:

| Name of the Director | Designation | Salary for the year ended 31/03/2017 (In ₹) |
|-----------------------|------------------------------|---|
| Mr. Amrut P. Shah | Chairman & Managing Director | 33,90,000 |
| Mr. Shantilal P. Shah | Whole-time Director | 26,10,000 |

No sitting fees were paid to Directors for the Financial Year 2016-17. The remuneration package of Executive Directors includes only salary which is a fixed component. There are no performance linked incentives. As per the agreement entered between the Company and the Executive Directors as mentioned above, term of appointment is three years from the date of appointment. The notice period is of 3 months before the date on which the termination shall come in to effect. Severance fees are not applicable. No stock option has been issued. There was no pecuniary relationship or transactions between Non-executive directors & Company during the financial year 2016-17. No Payment is made to Non-executive Directors.

The Nomination and Remuneration Committee reviews the performance of the senior management of your company. The Committee ensures that remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed pay and long term performance objectives appropriate to the working of your Company and its goals.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was constituted in compliance with the requirements of the Listing Agreement and Section 178 of the Companies Act, 2013.

Composition Of Stakeholders Relationship Committee as on March 31, 2017:

| Sr. No. | Name | Category | Designation | No. of Meetings | |
|---------|---------------------------|----------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Kaushal R. Sheth | NED (I) | Chairman | 4 | 4 |
| 2. | Manikandam P. Kammenchery | NED (I) | Member | 4 | 4 |
| 3. | Minjal V. Kadakia | NED (I) | Member | 4 | 4 |

During the FY 2016-17 Four (4) Stakeholders' Relationship Committee Meetings were held. Date(s) on which meeting(s) were held are 23-05-2016, 08-08-2016, 09-11-2016 and 10-02-2017.

Mr. Bhavesh Chheda, Company Secretary & Compliance Officer of the Company acting as Secretary of the Committee.

Stakeholders Relationship Committee has mandate to review and redress Stakeholders Grievances. The purpose of the Committee is to assist the Board in maintaining the healthy relationships with all the Stakeholders. The Committee reviews the Complaints related to transfer/ transmission of Shares, request for copy Annual Reports, non-receipt of Dividend warrants or issue of fresh dividend warrants. It also approves or takes note of the request for issue of duplicate Share Certificates, new Share Certificate in case of Split or Consolidation, dematerialization or re-materialization of Shares.

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your company. Detailed terms of reference of the Committee are placed on the website of the company at <http://www.sundaramgroups.in/wp-content/uploads/2015/02/Stakeholders-Grivances-Committee.pdf>.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Composition of CSR as on March 31, 2017:

| Sr. No. | Name | Category | Designation | No. of Meetings | |
|---------|---------------------------|----------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Kaushal R. Sheth | NED (I) | Chairman | 1 | 1 |
| 2. | Manikandam P. Kammenchery | NED (I) | Member | 1 | 1 |
| 3. | Minjal V. Kadakia | NED (I) | Member | 1 | 1 |

During the year one CSR committee meeting was held on 25-07-2016. Report on CSR is forming part of Directors report.

INDEPENDENT DIRECTORS' MEETING:

Schedule IV of the Companies Act, 2013 and rules made thereunder and Regulation 25 of SEBI (LODR) Regulations, 2015 mandate that the Independent Directors of the Company shall hold at least one meeting in each financial year, without presence of Non-independent Directors. During the year under review, the Independent Directors met on March 05, 2017, without the

attendance of Non-Independent Directors and members of management, inter alia to discuss:

- To review the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

COMPLIANCE OFFICER:

Mr. Manik R. Makwana was the Company Secretary and Compliance officer till February 24-02-2017. Mr. Bhavesh Chheda was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 07-03-2017 in order to complying with the requirements of Securities Laws and Listing Agreement with Stock Exchange.

NUMBER OF SHAREHOLDERS' COMPLAINTS RECEIVED SO FAR:

No Complaints were received during the year under review.

GENERAL BODY MEETINGS:

| Financial Year | Date of Meetings | Whether Special Resolution passed | Time | Venue |
|----------------|------------------|-----------------------------------|------------|---|
| 2013-14 | 30.09.2014 | Yes | 10.00 A.M | Navinbhai Thakar Hall, Shradhanand Road, Vile Parle (E), Mumbai - 400 057 |
| 2014-15 | 30.09.2015 | Yes | 11.00 A.M. | Chatwani Baug Hall, 1st Floor, 7, Gokhle Road, Near Vile Parle Station, Vile Parle East, Mumbai: 400057 |
| 2015-16 | 29-08-2016 | Yes | 11.00 A.M. | |

The following are the particulars of Special Resolution passed in the previous three Annual General Meetings:

| Date | Particulars |
|------------|--|
| 30-09-2014 | i) Adoption of new set of Articles of Association of the Company. |
| 30-03-2015 | i) Modification of Article 152 of Articles of Association. |
| 29-08-2016 | i) Alteration of Capital Clause in MOA; ii) To issue securities iii) To issue Convertible Share Warrants to the Promoters. |

During last Financial Year no resolutions were passed through postal ballot.

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTION:

During the period under review, the Company had not entered into any transaction of a material nature with any of the related parties which may have potential conflict with the interest of the Company. None of the transactions with any of related parties were in conflict with the Company's interest. Full disclosures of related party transactions are given in notes to the Financial Statements. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures imposed on the Company by Stock Exchanges or SEBI and other Statutory Authorities on matters related to capital markets during the last three years. The Board quarterly reviews the compliance report on applicable laws to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

VIGIL MECHANISM:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, shareholders and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee and/or a business associate. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF THIS CLAUSE:

The Company has complied with all the mandatory requirements of Regulation 27 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.

WEBLINK FOR POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES & POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

Policy for determining the material Subsidiary and policy for dealing with Related Party Transaction is disclosed on the website of the Company at <http://www.sundaramgroups.in/company-policies/>

RISK MANAGEMENT:

Disclosure under Risk Management has been given in the Directors

Report. Policy on Risk Management been placed on the website of the Company at <http://www.sundaramgroups.in/other-information/>.

COMPLIANCE WITH ACCOUNTING STANDARDS:

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

CODE OF CONDUCT:

The Board of Directors of the Company has laid down the code of conduct for all the Board Members and the Senior Management of the Company in accordance with the requirement under Regulation 17 and Regulation 26 (3) of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The same has been posted on the website of the Company at <http://www.sundaramgroups.in/company-policies/>. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2016-17. The declaration from Mr. Amrut P. Shah, Managing Director, regarding the affirmation of the compliance for the year ended March 31, 2017, is enclosed and forms part of this report.

PREVENTION OF INSIDER TRADING:

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of Unpublished Price Sensitive Information, Initial and Continual Disclosure. Policy on Insider Trading is available on the website of the Company at <http://www.sundaramgroups.in/company-policies/>

MEANS OF COMMUNICATION:

- **Publication of Quarterly Results:** Quarterly, half-yearly and annual financial results of the Company were published in The Free Press Journal (English) and Navshakti (Marathi) newspapers.
- **Website:** www.sundaramgroups.in: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company.
- **Stock Exchange:** Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

NEAPS (NSE Electronic Application Processing System):

NEAPS is a web-based application designed by NSE for corporates.

BSE Corporate Compliance & the Listing Centre: BSE Listing is a web-based application designed by BSE for corporates.

All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

- **Annual Report:** Annual Reports are sent to each shareholder at their address registered or on their e-mail address registered with the Company/R&TA/Depositories. Corporate Governance Certificate for financial year 2016-17, as required under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations, had been obtained from Auditors of the Company and Management Discussion & Analysis Report are attached to this report.

- **Registrar and Transfer Agents:** M/s. Sharex Dynamics (India) Private Limited, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072.

- **Plant Location:** P.I.D.C.O., Mahim Village, Palghar, Dist. Thane, Maharashtra, India.

- **Share Transfer System:** Stakeholder Relationship Committee constituted by the Board considers and approves all physical form shares related issues, transfers, transmission, transposition, remat of shares, deletion of name of deceased shareholder(s) from share certificates, issue of duplicate/ renewed/subdivided/ consolidated/replaced share certificate(s) etc. The transfer formalities are attended to on fortnightly basis by the nominated Registrars & Share Transfer Agents.

Address of correspondence:

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to:

M/s Sharex Dynamic (India) Private Limited,
Address: Unit No. 1, Luthra Ind. Premises,
Andheri-Kurla Road,
Safed Pool, Andheri (East),
Mumbai- 400 072

Tel Nos : 022-28515606, 28515644

Fax No. : 022-28512885

E-mail : sharexindia@vsnl.com

(OR) directly to the Company to:

The Managing Director / Company Secretary
Sundaram Multi Pap Limited
Address: 5/6 Papa Industrial Estate,
Suren Road, Andheri (East)
Mumbai: 400093.

Tel Nos.: 022- 67602200

Fax Nos.: 022- 67602244

E-mail: amrutshah@sundaramgroups.in
bhaves@undaramgroups.in

GENERAL SHAREHOLDER INFORMATION:

AGM Date: September 15, 2017

Time : 10.30 A.M

Venue : Chatwani Baug Hall, 1st Floor, 7, Gokhle Road, Near
Vile Parle Station, Vile Parle East, Mumbai: 400057,
Maharashtra, India

Financial Year : April to March.

Book Closure Date : September 09, 2017 to September 15, 2017.

Dividend : not declared for financial year 2016-17.

Listing of Stock Exchanges : Bombay Stock Exchange Ltd.;
National Stock Exchange Ltd.

Stock Code : BSE – 533166; NSE – SUNDARAM

Demat ISIN No. : INE108E01023

Listing fees have been paid to Bombay Stock Exchange Ltd and
National Stock Exchange Ltd., for the Financial Year 2017-18.

SHAREHOLDING PATTERN: SHAREHOLDING PATTERN AS ON MARCH 31, 2017:

| Category | No. of Shares held | % of Holding |
|--|--------------------|---------------|
| A. PROMOTER'S HOLDING | | |
| Promoters | | |
| Indian Promoters (Individuals & HUF) | 69155585 | 28.17 |
| Body Corporate/ Central Govt./ State govt./ Banks | 0 | 0 |
| Foreign Promoters | 0 | 0 |
| Sub Total (A) | 69155585 | 28.17 |
| B. PUBLIC SHAREHOLDING | | |
| 1. Institutional Investors | | |
| a) Financial Institutions/ Banks | 150000 | 0.06 |
| b) Insurance Companies, Central Govt./ State Govt. | 9000000 | 3.66 |
| c) Foreign Institutional Investors | 0 | 0 |
| Sub Total (B 1) | 9150000 | 3.73 |
| 2. Non Institutional Investors | | |
| a) Bodies Corporate | 23613957 | 9.61 |
| b) Individual shareholders holding nominal share capital up to ₹. 1 lac | 70917750 | 28.87 |
| c) Individual shareholders holding nominal share capital in excess of ₹. 1 lac | 59104056 | 24.06 |
| d) Non Resident Indians & OCB | 4044504 | 1.65 |
| e) Any others (clearing member) | 9619921 | 3.92 |
| Sub Total (B 2) | 167300188 | 68.11 |
| GRAND TOTAL (A)+(B 1)+(B 2) | 245605773 | 100.00 |

OTHER REQUIREMENTS:

The Company is yet to adopt the non-mandatory requirements like sending of half-yearly declaration of financial performance including summary of the significant events in last six-months, unqualified financial statements. The Board is taking guidance from Non-Mandatory requirement as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non-mandatory requirement.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:

| No. of Equity shares held | No. of Share Holders | % of total Shareholders | No. of Shares held | % of Total Share Capital |
|---------------------------|----------------------|-------------------------|--------------------|--------------------------|
| Up to 100 | 1863 | 12.38 | 87379 | 0.04 |
| 101 to 200 | 985 | 6.55 | 165201 | 0.07 |
| 201 to 500 | 2062 | 13.70 | 828825 | 0.34 |
| 501 to 1000 | 2624 | 17.44 | 2367924 | 0.96 |
| 1001 to 5000 | 4356 | 28.95 | 12448474 | 5.07 |
| 5001 to 10000 | 1256 | 8.35 | 10207852 | 4.16 |
| 10001 to 100000 | 1643 | 10.92 | 50143401 | 20.42 |
| 100001 to Above | 258 | 1.71 | 169356717 | 68.95 |
| Total | 15047 | 100 | 245605773 | 100 |

As on March 31, 2017, out of 245605773 shares issued 244386288 Equity Shares (99.50 % of total equity capital) was held in dematerialized form.

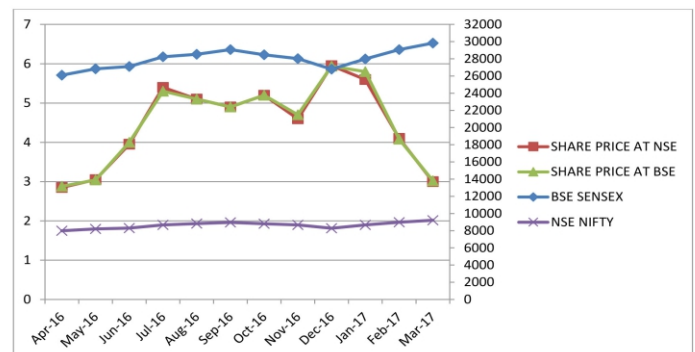
OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any ADRs or GDRs. In last AGM held on August 29, 2016 Company had passed Special Resolution for issue of Share Warrants to the Promoters on Preferential Basis, however promoters could not subscribed to the said Share Warrants within time specified hence said Share Warrants could not be allotted to the promoters

MARKET PRICE DATA:

| MONTHS | BSE LIMITED | | NSE LIMITED | |
|-------------|-------------|---------|-------------|---------|
| | Price | | Price | |
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| 2016 | | | | |
| April | 2.88 | 2.20 | 2.85 | 2.20 |
| May | 3.04 | 2.34 | 3.05 | 2.30 |
| June | 4.00 | 2.33 | 3.95 | 2.35 |
| July | 5.30 | 3.67 | 5.40 | 3.70 |
| August | 5.10 | 3.93 | 5.10 | 3.90 |
| September | 4.90 | 4.15 | 4.90 | 4.10 |
| October | 5.20 | 4.11 | 5.20 | 4.10 |
| November | 4.70 | 3.50 | 4.60 | 3.55 |
| December | 5.94 | 3.72 | 5.95 | 4.00 |
| 2017 | | | | |
| January | 5.80 | 3.90 | 5.60 | 3.90 |
| February | 4.08 | 2.60 | 4.10 | 2.65 |
| March | 3.02 | 2.70 | 3.00 | 2.65 |

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:



CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
**The Board of Directors
Sundaram Multi Pap Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of the Company hereby certify that on the basis of the review of the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2017 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

- 1) Significant changes in internal control over financial reporting during the year;
- 2) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to financial statement; and
- 3) 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.

Amrut P. Shah
Chairman & Managing Director

Rajesh B. Jain
Chief Financial Officer

Place: Mumbai
Date: 23-05-2017

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2017.

For **SUNDARAM MULTI PAP LIMITED**

Amrut P. Shah
Chairman & Managing Director

Date: 23-05-2017
Place: Mumbai

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **SUNDARAM MULTI PAP LIMITED**,

We have examined the compliance of the conditions of Corporate Governance by **Sundaram Multi Pap Limited** ("the Company") for the year ended March 31, 2017, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

For **Bhuta Shah & Co. LLP**
Chartered Accountants
Firm Reg. No. W100100

CA. Shailesh Bhuta
Partner
Membership No: 033958

Date: 23-05-2017
Place: Mumbai

Independent Auditors' Report

To the Members of

Sundaram Multi Pap Limited**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Sundaram Multi Pap Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision 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 the disclosure 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to financial statements:

Note 31 in the standalone financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/adjustments. Accordingly, no provision has been made in the financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a.** we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b.** in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c.** the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d.** in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e.** on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of

Directors, none of the directors is disqualified as on 31 March 2017 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 matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The Company had provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note No 44 of the standalone financial statements.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No.: W100100

CA. Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai, 23rd May, 2017

“Annexure – A”

To Independent Auditors' Report of even date on the standalone financial statements for the year ended 31 March 2017 referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements”.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.

(iii) The Company has granted unsecured loan to one Company covered in the register maintained under section 189 of the Act:

(a) according to the information and explanations given to us, there are no terms and conditions attached to the loan;

(b) according to the information and explanations given to us, the loan is repayable on demand, however, the payment of interest has been stipulated and receipt of interest is regular;

(c) there is no overdue amount and hence clause (iii) (c) of Para 3 is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect of loan given. However, the Company has not given any guarantee or provided any security to director or to any other parties during the year and has not made any investment during the year except in its wholly owned subsidiary.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public as per provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, clause (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government

under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and 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) In respect of statutory dues:

(a) According to information and explanations given to us and on the basis of our examination of records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of excise, value added tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no arrears of statutory dues as on 31 March 2017 for a period of more than six months from the date when they become payable.

(b) According to the information and explanations given to us, there are no dues of excise duty, sales tax, service tax or value added tax which have not been deposited on account of any dispute.

According to the information and explanations given to us, the following due in respect of income tax has not been deposited by the Company on account of dispute:

| Name of the Statute | Nature of due | Forum where dispute is pending | Period to which the amount relates | Amount involved ₹ |
|----------------------|---------------|--------------------------------------|------------------------------------|------------------------|
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | A.Y 2012-13 A.Y 2014-15 | 3,542,150 5,711,250 |

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution and banks. The Company has not taken any loan or borrowing from government and has not issued debentures during the year.

(ix) Based on our audit procedures and on the information and explanations given to us by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not taken any term loan during the year. Accordingly, clause (ix) of Para 3 of the Order is not applicable to the Company.

(x) Based on the audit procedures performed and based on the information and explanations given to us by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed and the information and explanations given to us by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the nature of activities of the

Company does not attract any special statute applicable to Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors. Accordingly, clause (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of the Order is not applicable to the Company.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May 2017

"Annexure B"

To Independent Auditors' Report of even date referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements"

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 **Sundaram Multi Pap Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 Act, 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

SUNDARAM MULTI PAP LIMITED
BALANCE SHEET AS AT 31st MARCH 2017

| Particulars | Note No. | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------------------|----------|---------------------------|---------------------------|
| | | ₹ | ₹ |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 24,56,05,773 | 21,56,05,773 |
| Reserves And Surplus | 4 | 85,21,57,798 | 80,22,21,426 |
| | | 1,09,77,63,571 | 1,01,78,27,199 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 16,64,69,854 | 21,83,91,048 |
| Deferred Tax Liabilities (Net) | 6 | - | 2,17,34,042 |
| Long Term Provisions | 7 | 14,18,532 | 11,86,436 |
| | | 16,78,88,386 | 24,13,11,526 |
| Current Liabilities | | | |
| Short-Term Borrowings | 8 | 54,32,63,081 | 43,11,62,263 |
| Trade Payables | 9 | 14,03,15,257 | 9,50,17,607 |
| Other Current Liabilities | 10 | 7,86,79,251 | 27,85,85,900 |
| Short-Term Provisions | 11 | 12,04,489 | 15,66,479 |
| | | 76,34,62,078 | 80,63,32,249 |
| Total Equity & Liabilities | | 2,02,91,14,034 | 2,06,54,70,974 |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12A | 83,96,21,615 | 86,22,56,331 |
| Intangible Assets | 12B | - | 1,00,27,975 |
| | | 83,96,21,615 | 87,22,84,306 |
| Non-Current Investments | 13 | 38,70,00,000 | 25,00,00,000 |
| Long Term Loans And Advances | 14 | 42,19,444 | 42,19,444 |
| | | 39,12,19,444 | 25,42,19,444 |
| | | 1,23,08,41,059 | 1,12,65,03,750 |
| Current Assets | | | |
| Inventories | 15 | 29,60,27,767 | 41,92,87,702 |
| Trade Receivables | 16 | 33,63,10,095 | 27,04,78,138 |
| Cash And Cash Equivalents | 17 | 18,40,685 | 1,32,43,447 |
| Short-Term Loans And Advances | 18 | 16,39,08,755 | 23,58,10,933 |
| Other Current Assets | 19 | 1,85,673 | 1,47,003 |
| | | 79,82,72,975 | 93,89,67,223 |
| Total Assets | | 2,02,91,14,034 | 2,06,54,70,973 |

Significant Accounting Policies

1 to 45

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

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director

DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director

DIN: 00033182

Bhavesh Chheda

Company Secretary

SUNDARAM MULTI PAP LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

| Particulars | Note No. | As at 31st March, 2017 | As at 31st March, 2016 |
|--|----------|---------------------------|---------------------------|
| <u>INCOME</u> | | ₹ | ₹ |
| Revenue From Operations | 20 | 94,34,53,647 | 96,02,12,607 |
| Other Income | 21 | 90,07,517 | 29,76,382 |
| Total Income (I) | | 95,24,61,164 | 96,31,88,989 |
| <u>EXPENSES</u> | | | |
| Cost Of Materials Consumed | 22 | 62,04,72,657 | 59,85,10,955 |
| Purchase Of Stock-In-Trade | | 3,09,30,592 | 1,91,52,133 |
| Changes In Inventories Of Finished Goods And Work-In-Progress | 23 | 3,59,63,397 | 12,31,88,643 |
| Employee Benefits Expenses | 24 | 3,72,91,193 | 3,15,30,924 |
| Finance Costs | 25 | 10,03,74,767 | 9,92,48,863 |
| Depreciation And Amortization Expenses | 26 | 3,22,05,675 | 3,27,71,567 |
| Other Expenses | 27 | 6,53,31,362 | 6,85,73,196 |
| Total Expenses (II) | | 92,25,69,643 | 97,29,76,281 |
| Profit / (Loss) before extraordinary items and tax (I) - (II) | | 2,98,91,522 | (97,87,292) |
| Other Income | | | |
| Exceptional items | 28 | (9,49,34,675) | (6,88,71,134) |
| Profit Before Tax | | (6,50,43,153) | (7,86,58,426) |
| <u>TAX EXPENSES/ BENEFITS:</u> | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | (2,17,34,042) | (1,43,99,732) |
| (3) Short / (Excess) Provision Of Earlier Years | | (2,45,483) | (1,36,778) |
| Total Tax Expenses | | (2,19,79,525) | (1,45,36,510) |
| Profit For The Year | | (4,30,63,628) | (6,41,21,916) |
| Earnings Per Share: (Face Value Of ₹ 1/- Each) | | | |
| (1) Basic | | (0.19) | (0.30) |
| (2) Diluted | | (0.19) | (0.30) |

Significant Accounting Policies

1 to 45

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

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director

DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director

DIN: 00033182

Bhavesh Chheda

Company Secretary

SUNDARAM MULTI PAP LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | | Year Ended 31ST MARCH, 2017 | | Year Ended 31ST MARCH, 2016 | |
|-------------|---|--------------------------------|-----------------------|--------------------------------|-----------------------|
| | | Amount in ₹ | | Amount in ₹ | |
| A. | CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| | Net Profit / (Loss) Before Tax And Extraordinary Items | | (6,50,43,153) | | (7,86,58,426) |
| | <i>Adjustment For :</i> | | | | |
| | Depreciation | 3,22,05,675 | | 3,27,71,567 | |
| | Interest Income | (1,65,77,795) | | (2,32,13,543) | |
| | Interest Paid | 10,81,40,942 | | 12,22,26,854 | |
| | (Profit)/ Loss On Sale Of Assets (Net) | 15,50,641 | | (8,62,39,041) | |
| | | | 12,53,19,463 | | 4,55,45,837 |
| | Operating Profit Before Working Capital Changes | | 6,02,76,310 | | (3,31,12,588) |
| | <i>Adjustment For :</i> | | | | |
| | Trade Receivables | (6,58,31,957) | | (5,30,33,843) | |
| | Inventories | 12,32,59,935 | | 22,11,39,792 | |
| | Loans & Advances | (7,06,32,557) | | 1,89,96,957 | |
| | Other Current Assets | (38,670) | | 7,500 | |
| | Trade Payables | 4,52,97,650 | | 6,46,662 | |
| | Other Liabilities & Provisions | (19,96,74,553) | | 5,43,43,399 | |
| | | | (16,76,20,151) | | 24,21,00,467 |
| | Cash Generated From Operations | | (10,73,43,842) | | 20,89,87,879 |
| | Direct Taxes Paid(Net) | | 52,38,238 | | (7,77,017) |
| | Net Cash Generated From / (Utilised in) Operating Activities | | (10,21,05,604) | | 20,82,10,862 |
| B. | Cash Flow From Investing Activities | | | | |
| | Purchase Of Tangible Fixed Assets (Net) | (22,67,700) | | (1,13,323) | |
| | Sale Of Tangible Fixed Assets | 11,74,075 | | 9,51,71,008 | |
| | Sale of Investment | - | | 50,000 | |
| | Purchase Of Equity Shares Of subsidiary | (13,70,00,000) | | (10,00,00,000) | |
| | Repayment of Loan given to Subsidiary | 13,71,79,990 | | 8,60,51,148 | |
| | Interest Received | 1,65,77,795 | | 2,32,13,543 | |
| | Net Cash Generated From / (Utilised in) Investing Activities | | 1,56,64,161 | | 10,43,72,376 |
| C. | Cash Flow From Financing Activities : | | | | |
| | (Repayment) of / Proceeds From Borrowings | 6,01,79,624 | | (18,31,78,175) | |
| | Proceeds From Issue Of Share Capital | 12,30,00,000 | | | |
| | Interest Paid | (10,81,40,942) | | (12,22,26,854) | |
| | Dividend Paid (Incl. Of Tax) | | | | |
| | Net Cash Generated From / (Utilised in) Financing Activities | | 7,50,38,681 | | (30,54,05,029) |
| | Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C) | | (1,14,02,762) | | 71,78,209 |
| | Cash And Cash Equivalents At Beginning Of The Year | 1,32,43,447 | | 60,65,238 | |
| | Cash And Cash Equivalents At End Of The Year | 18,40,685 | | 1,32,43,447 | |
| | Net Increase/ (Decrease) | | (1,14,02,762) | | 71,78,209 |

Note:

- 1 Cash And Cash Equivalents Consists Of Cash On Hand And Balance With Banks.
- 2 The Above Cash Flow Statement Has Been Prepared Under The Indirect Method As Set Out In Accounting Standard - 3 "Cash Flow Statement" Issued By The Institute Of Chartered Accountants Of India.
- 3 Previous Year's Figures Have Been Re-Grouped / Re-Arranged, Wherever Considered Necessary.

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director

DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director

DIN: 00033182

Bhavesh Chheda

Company Secretary

Note 1: Background

We design, manufacture and market paper stationery products – exercise note books, long books, note pads, scrap books, drawing books, graph books - for students of all ages, as well as office/corporate stationery products and printing, writing & packaging paper.

We have over 190 varieties of paper stationery products under the brand “Sundaram” which are very popular among the student communities and enjoy very high reputation in the market for its superb quality and durability.

Sundaram Multi Pap Ltd. was incorporated on 13th March, 1995 with the Registrar of Companies, Maharashtra, at Mumbai and the Certificate of Commencement of Business was obtained on 10th April, 1995.

At the start of the Company in the year 1995, we had a capacity of 5 tons per day of conversion of paper into paper stationery, which was increased to 60 tons per day as of now which is also considering 75% utilisation of the machinery.

With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

Note 2: Significant Accounting Policies**i. Accounting Conventions:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on accrual basis except for certain financial instrument which are measured at fair values to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii. Use of Estimates:

Preparation of financial statements in conformity of with Indian GAAP requires that the Management of the Company to makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known and if material, their effects are disclosed in the notes to the financial statements.

iii. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi-finished goods are valued at raw material cost plus proportionate

manufacturing overheads. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

iv. Cash Flow Statement:

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary item and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future, cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information.

v. Depreciation / Amortization:

Depreciation on tangible fixed assets is provided on the straight line method as per useful life prescribed in Schedule II of the Act. Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Brand will be amortized over a period of five subsequent years on a systematic basis as decided by the management at the rate of 20% in each year.

vi. Revenue Recognition:

a) The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

b) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

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

vii. Export Incentives:

Considering the uncertainty in respect of actual income realizable, which depends on the market conditions, the benefits accruing under the Duty Entitlement Pass Book Scheme are recognized on the basis of actual realization.

viii. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost.

ix. Investments:

Non Current Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary.

Current investments are carried at lower of cost or fair value/market value, determined on individual basis.

x. Employee Benefits:**a) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of

rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:**i) Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the separate entity. The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii) Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

c) Leave encashment:

Liability on account of Leave Encashment up to year end has been provided/ paid during the year. None of the employee is allowed to carry forward leave to subsequent period.

xi. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

The Company has been granted restructuring of loan facility by its banks State Bank of India (Lead Bank). Lead Bank has discretion to recoup concession given to company at a future date depending on the financial position of company. The Management has decided to account such cost as an when event arises.

xii. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

xiii. Earning per share:

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

xiv. Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for the timing differences.

Deferred tax assets are recognized for timing difference of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However if there are unabsorbed depreciation and carry forward losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the company has a legally enforceable right for such set-off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

xv. Impairment of Fixed Assets:

At each Balance Sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

xvi. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvii. Financial Derivatives Hedging Transaction:

In respect of derivatives contract, premium paid, provision for losses on restatement and gains/losses on settlement are recognized in statement of Profit and Loss. The company uses Foreign Currency Hedges to manage its risks associated with Foreign Currencies Fluctuation relating to Export receivable. The company does not use Hedges for speculative purpose.

SUNDARAM MULTI PAP LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Authorized Capital 250,000,000 (31 March 2016: 250,000,000) Equity Shares of ₹ 1/- Each | 25,00,00,000 | 25,00,00,000 |
| | 25,00,00,000 | 25,00,00,000 |
| Issued, Subscribed & Paid-up Capital 245,605,773 (31 March 2016: 215,605,773) Equity Shares of ₹ 1/- Each Fully Paid | 24,56,05,773 | 21,56,05,773 |
| Total of Issued, Subscribed And Fully Paid Up Share Capital | 24,56,05,773 | 21,56,05,773 |

a) Reconciliation Of The Number Of Shares Is Set Out Below:

| Particulars | 2016-2017 | | 2015-2016 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Equity Shares | | Equity Shares | |
| | Number | ₹ | Number | ₹ |
| Shares Outstanding At The Beginning Of The Year | 21,56,05,773 | 21,56,05,773 | 21,56,05,773 | 21,56,05,773 |
| Shares Issued During The Year | 3,00,00,000 | 3,00,00,000 | - | - |
| Shares Bought Back During The Year | - | - | - | - |
| Shares Outstanding At The End Of The Year | 24,56,05,773 | 24,56,05,773 | 21,56,05,773 | 21,56,05,773 |

b) Terms And Rights Attached To Equity Shareholders:

The company has only one class of equity shares having a face value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the company in respect of any of the shares of such member. All equity shares of the company rank pari passu in all respects including the right to dividend.

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the memorandum of association and articles of association of the company, as applicable.

c) The company does not have any holding company or ultimate holding company. Promoter shareholding in the company including persons acting in concert with the promoters as on March 31, 2017 is 69,155,585 equity shares i.e. 28.16% of the equity share capital of the company. Previous year March 31, 2016 is 69,455,585 equity shares i.e. 32.21%.
d) The Details Of Share Holders Holding More Than 5% Shares:

| Name Of Shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------------------|----------------------|--------------|----------------------|--------------|
| | No. Of Shares held | % of Holding | No. Of Shares held | % of Holding |
| Amrut P Shah | 2,22,83,925 | 9.07 | 2,22,83,925 | 10.34 |
| Raichand P Shah | 2,17,34,503 | 8.85 | 2,17,34,503 | 10.08 |
| Shantilal P Shah | 1,47,87,157 | 6.02 | 1,47,87,157 | 6.86 |
| Ganjam Trading Pvt Ltd | 1,49,99,499 | 6.11 | 1,49,99,499 | 6.96 |

e) The Company has allotted 30,000,000 (FV - ₹ 1/-) equity shares issued at ₹ 4.1/- by way of Qualified Institutional Placement (QIP) in the Financial Year 2016-2017.

NOTE 4 : RESERVES & SURPLUS

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| (a) Capital Reserve | | |
| Opening Balance | 7,00,000 | 7,00,000 |
| Add: Capital Reserve | - | - |
| Capital Reserve - Closing Balance | 7,00,000 | 7,00,000 |
| (b) Securities Premium Reserve | | |
| Opening Balance | 46,64,13,981 | 46,64,13,981 |
| Add: Securities Premium Reserve | 9,30,00,000 | - |
| Securities Premium Reserve - Closing Balance | 55,94,13,981 | 46,64,13,981 |
| (c) Revaluation Reserve | | |
| Opening Balance | 35,63,45,790 | 40,49,47,354 |
| Add: Revaluation of Land * | - | (4,86,01,564) |
| Revaluation Reserve - Closing Balance | 35,63,45,790 | 35,63,45,790 |
| (d) General Reserve | | |
| Opening Balance | 1,90,77,775 | 1,69,72,914 |
| Add: Transition provision as per AS 15 (Revised) | - | 21,04,861 |
| General Reserve - Closing Balance | 1,90,77,775 | 1,90,77,775 |
| (e) Surplus In The Statement Of Profit And Loss | | |
| Opening Balance | (4,03,16,120) | 2,38,05,796 |
| Add: Net Profit/ (Loss) For The Year | (4,30,63,628) | (6,41,21,916) |
| Balance Available For Appropriation | (8,33,79,748) | (4,03,16,120) |
| Transfer To General Reserve | - | - |
| Net Surplus In The Statement Of Profit And Loss | (8,33,79,748) | (4,03,16,120) |
| Total Of Reserves And Surplus | 85,21,57,798 | 80,22,21,426 |

* The Company has revalued its Land at Palghar on 31st May 2013

NOTE 5 : LONG TERM BORROWINGS

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| <u>Term Loan</u> | | |
| Secured | | |
| From Banks | | |
| State Bank Of India * | 14,62,55,052 | 18,74,35,204 |
| Industrial Development Bank of India * | 41,00,000 | 21,75,376 |
| Yes Bank ** | - | 1,00,00,000 |
| Vehicle Loans *** | - | - |
| From Others | | |
| From Other Parties | 25,59,952 | 31,61,177 |
| <u>Deferred Payment Liabilities</u> | | |
| Unsecured | | |
| Sales Tax Deferred Loan @ | 1,35,54,850 | 1,35,54,850 |
| Loan From Sicom | - | 20,64,441 |
| Total Of Long Term Borrowings | 16,64,69,854 | 21,83,91,048 |

*** Corporate Loan-State Bank Of India (SBI)**

Secured primarily by first charge (Hypothecation and mortgage) over the Fixed assets (immovable and movable) of the company as well as personal guarantee of three directors and collaterally secured by extension of hypothecation charge over entire current assets of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loan carries floating rate of interest ranging of 3% above base rate. The repayment of the Loan has commenced from September 2015 and to be fully repaid by March 2020.

Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) - SBI and Industrial Development Bank of India (IDBI).

Secured primarily by first pari passu charge over the entire current assets (present and future) of the company as well as personal guarantee of three directors and collaterally secured by second pari - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the Company, with IDBI bank. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loans carries floating rate of interest ranging between 2.75% to 3.1% above base rate. The repayment of WCTL has commenced from September 2015 and has been fully repaid in December 2016. The repayment of FITL has commenced from December 2015 and to be fully repaid by March 2020.

** Secured by subservient charge over current and movable fixed assets of the company as well as personal guarantee of three directors and pledge of shares of the Company carrying floating rate of interest ranging between 2% to 2.75% above base rate and repayable by March, 2018.

*** Secured by Hypothecation of respective vehicles purchased carrying interest of 12% and repayable by March-2021.

@ The Company has submitted a letter dated 27 March 2017 to Joint Director of Industries, Nagpur, requesting for change in name of the unit. The liability will crystalize for payment in future depending on the change of name of the unit to be approved by the said authorities.

5.1 Out of the above loans, two Directors of the Company have given their personal guarantee for secured loans (except vehicle loan).

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

| | ₹ | ₹ |
|--|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Liabilities | | |
| Depreciation | - | 3,99,68,576 |
| (A) | - | 3,99,68,576 |
| Assets | | |
| Employee Benefits / Expenses Allowable on Payment Basis | 4,38,326 | 3,66,609 |
| Depreciation and Unabsorbed Depreciation | 5,66,92,182 | 1,78,67,925 |
| (B) | 5,71,30,508 | 1,82,34,534 |
| Less: Opening Net Deferred Tax Liability | 2,17,34,042 | 3,61,33,774 |
| (C) | | |
| Net Deferred Tax Liability Charged To Statement Of Profit And Loss* (D) = A-B-C | (2,17,34,042) | (1,43,99,732) |
| | | |
| Net Deferred Tax Liability (E) = C+D | - | 2,17,34,042 |

* The Company has recognised deferred tax asset ₹ 56,692,182/- (31 March 2016 ₹ 17,867,925/-) on unabsorbed depreciation to the extent there is deferred tax liability on timing differences that will reverse in the future.

NOTE 7 : LONG TERM PROVISIONS

| | ₹ | ₹ |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Provision For Employees Benefit</u> | | |
| Provision For Gratuity | 14,18,532 | 11,86,436 |
| Total of Long Term Provisions | 14,18,532 | 11,86,436 |

Note : 8 SHORT TERM BORROWINGS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Loan Repayable On Demand</u> | | |
| <u>From Banks</u> | | |
| Secured | | |
| Cash Credit From State Bank Of India ** | 20,62,99,083 | 12,61,01,133 |
| Cash Credit From Industrial Development Bank Of India ** | 4,18,79,654 | 2,52,58,474 |
| <u>Other Loans</u> | | |
| Unsecured | | |
| Loan From Directors (Refer Note 35) ## | 2,23,46,769 | 3,29,12,875 |
| Loans From Others | 1,31,98,000 | 25,00,000 |
| <u>Deposit</u> | | |
| Unsecured | | |
| Intercompany Deposits### | 14,87,94,575 | 24,36,44,781 |
| From others Party | 11,07,45,000 | 7,45,000 |
| Total Of Short Term Borrowings | 54,32,63,081 | 43,11,62,263 |

** Secured primarily by first pari passu charge over stock and book debts of the Company with other working capital lender and personal guarantee of three Directors and collaterally secured by second pari - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said loan carries interest rate ranging between 2.75% to 3.1% above base rate.

It consist of loan from two Directors and interest charged @ 12%. Further, all the loans are provided by the director from their own funds.

All inter corporate deposits are taken against pledge of Promoters Equity Shares held in the Company.

NOTE 9 : TRADE PAYABLES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Trade Payables | 14,03,15,257 | 9,50,17,607 |
| (Refer note 33 for details of dues to Micro, Small And Medium Enterprises) | | |
| Total Of Trades Payable | 14,03,15,257 | 9,50,17,607 |

NOTE 10 : OTHER CURRENT LIABILITIES

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Current Maturities Of Long-Term Borrowings (Refer Note 5)</u> | | |
| From Banks | 5,24,00,000 | 25,55,30,215 |
| Vehicle Loans | 6,77,125 | 7,39,091 |
| Sales Tax Deferred Loan | 1,24,660 | 1,24,660 |
| Advance From Customers | 56,35,545 | 97,16,109 |
| Interest accrued but not due on borrowings | 21,848 | - |
| Interest accrued and due on borrowings | 51,24,823 | 19,00,075 |
| Unpaid Dividend | 2,74,482 | 3,28,730 |
| Outstanding Expenses | 94,03,610 | 83,64,682 |
| Outstanding Statutory Liabilities | 50,17,158 | 18,82,338 |
| Total Of Other Current Liabilities | 7,86,79,251 | 27,85,85,900 |

NOTE 11 : SHORT TERM PROVISIONS

| | ₹ | ₹ |
|---------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Others</u> | | |
| Provision For Income Tax | 12,04,489 | 15,66,479 |
| Total Of Short Term Provisions | 12,04,489 | 15,66,479 |

SUNDARAM MULTI PAP LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12 : FIXED ASSETS AS ON 31st MARCH 2017

| Particulars | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | NET BLOCK | |
|------------------------------------|-----------------------|---------------------------|----------------------------|-----------------------|-----------------------|--------------------|----------------------------|-----------------------|
| | As on 1st April, 2016 | Additions During the Year | Deductions During the Year | As on 31st March 2017 | As on 1st April, 2016 | For the Year | Deductions During the Year | As on 31st March 2017 |
| A. Tangible Assets: (Owned) | | | | | | | | |
| Freehold Land | 53,48,55,188 | - | - | 53,48,55,188 | - | - | - | 53,48,55,188 |
| Building | 21,84,13,827 | - | - | 21,84,13,827 | 9,67,65,690 | 43,07,343 | - | 11,73,40,794 |
| Plant & Machinery | 25,53,75,322 | 22,67,700 | 31,23,039 | 25,45,19,983 | 8,15,85,121 | 98,01,632 | 3,98,323 | 16,35,31,553 |
| Furniture & Fixture | 7,37,19,486 | - | - | 7,37,19,486 | 5,47,16,317 | 47,77,757 | - | 1,42,25,411 |
| Vehicles | 3,16,05,831 | - | - | 3,16,05,831 | 1,95,29,951 | 30,61,864 | - | 90,14,015 |
| Office Equipments | 65,04,807 | - | - | 65,04,807 | 56,21,049 | 2,29,104 | - | 6,54,654 |
| Total Tangible Assets | 1,12,04,74,461 | 22,67,700 | 31,23,039 | 1,11,96,19,122 | 25,82,18,128 | 2,21,77,700 | 3,98,323 | 83,96,21,615 |
| B. Intangible Assets: | | | | | | | | |
| Brand | 7,29,30,746 | - | - | 7,29,30,746 | 6,29,02,771 | 1,00,27,975 | - | - |
| Total Intangible Assets | 7,29,30,746 | - | - | 7,29,30,746 | 6,29,02,771 | 1,00,27,975 | - | - |
| TOTAL (A+B) | 1,19,34,05,207 | 22,67,700 | 31,23,039 | 1,19,25,49,868 | 32,11,20,899 | 3,22,05,675 | 3,98,323 | 83,96,21,615 |
| Previous Year | 1,25,28,79,642 | 1,13,323 | 5,95,87,758 | 1,19,34,05,207 | 29,04,03,559 | 3,27,71,567 | 20,54,227 | 87,22,84,308 |

NOTE 13 : NON CURRENT INVESTMENTS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Trade Investments | | |
| <u>Others (valued at Cost)</u> | | |
| <u>Investment In Unquoted Equity Instruments</u> | | |
| i <u>Subsidiary</u> | | |
| 38,700,000 Equity Shares Of ₹10/- Each Fully Paid Up Of E-Class Education System Ltd. (Previous Year 25,000,000 Shares) | 38,70,00,000 | 25,00,00,000 |
| Total Of Non Current Investment | 38,70,00,000 | 25,00,00,000 |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 38,70,00,000 | 25,00,00,000 |
| Total Of Non Current Investment | 38,70,00,000 | 25,00,00,000 |

NOTE 14 : LONG TERM LOANS AND ADVANCES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Security Deposits</u> | | |
| Unsecured, Considered Good | 42,19,444 | 42,19,444 |
| Total Of Long Term Loans And Advances | 42,19,444 | 42,19,444 |

NOTE 15 : INVENTORIES

| | ₹ | ₹ |
|-----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Raw Materials | 12,94,23,159 | 12,13,73,047 |
| Work-In-Progress | 11,66,95,526 | 11,00,80,633 |
| Finished Goods | 3,07,71,846 | 2,44,38,655 |
| Trading Goods | 19,68,205 | 14,63,28,161 |
| Stores & Spares | 1,71,69,032 | 1,70,67,207 |
| Total Of Inventories | 29,60,27,767 | 41,92,87,702 |

NOTE 16 : TRADE RECEIVABLES

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Debts Overdue Beyond 6 Months</u> | | |
| Unsecured, Considered Good | 19,13,51,020 | 13,79,81,805 |
| <u>Others</u> | | |
| Unsecured, Considered Good | 14,49,59,075 | 13,24,96,333 |
| Total Of Trade Receivables | 33,63,10,095 | 27,04,78,138 |

NOTE 17 : CASH AND CASH EQUIVALENTS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Cash-In-Hand</u> | | |
| Cash Balance | 10,57,404 | 23,89,736 |
| Sub Total (A) | 10,57,404 | 23,89,736 |
| <u>Bank Balance</u> | | |
| In Current Accounts | 4,57,812 | 3,03,654 |
| In Deposit Accounts | - | 1,01,70,340 |
| In Dividend Accounts | 3,25,469 | 3,79,717 |
| Sub Total (B) | 7,83,281 | 1,08,53,711 |
| Total Of Cash And Cash Equivalent (A) + (B) | 18,40,685 | 1,32,43,447 |

Includes Deposit With Banks Of ₹ Nil (31 March 2016: ₹ 10,170,340) With original maturity Of more than 12 months

NOTE 18 : SHORT TERM LOANS AND ADVANCES

| | ₹ | ₹ |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Loans & Advances To Related Parties</u> | | |
| Unsecured, Considered Good | | |
| Loan To Subsidiary - E-Class Education System Ltd. | - | 13,71,79,990 |
| <u>Others</u> | | |
| Unsecured, Considered Good | | |
| Advance To Suppliers | 3,01,04,712 | 2,49,55,069 |
| Advance Income Tax (Net off provision for Tax) | 60,76,383 | 1,14,31,128 |
| Balance With Revenue Authorities | 70,07,897 | 47,96,233 |
| Prepaid Expenses | 17,42,608 | 58,00,414 |
| Advance To Employees | 3,39,590 | 3,39,590 |
| Other Advances | 11,86,37,564 | 5,13,08,509 |
| Total Of Short Term Loans And Advances | 16,39,08,755 | 23,58,10,933 |

NOTE 18.1 : DISCLOSURE REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

| | ₹ | | ₹ | |
|---|------------------------|-------------------------------------|------------------------|-------------------------------------|
| | As at 31st March, 2017 | | As at 31st March, 2016 | |
| | Balance | Maximum outstanding during the year | Balance | Maximum outstanding during the year |
| Loans & Advances To Related Parties include loans to subsidiaries | | | | |
| Loan To Subsidiary - E-Class Education System Ltd. | - | 13,71,79,990 | 13,71,79,990 | 22,32,31,138 |

NOTE 19 : OTHER CURRENT ASSETS

| | ₹ | ₹ |
|--------------------------------------|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Dividend Receivable | - | 7,500 |
| Interest Receivable | 1,85,673 | 1,39,503 |
| Total Of Other Current Assets | 1,85,673 | 1,47,003 |

SUNDARAM MULTI PAP LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 20 : REVENUE FROM OPERATIONS

| | ₹ | ₹ |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Sale of Products</u> | | |
| Local Sales | 88,30,04,786 | 85,66,86,553 |
| Trading Sales | 8,65,12,316 | 12,80,22,189 |
| | 96,95,17,102 | 98,47,08,743 |
| <u>Other Operating Revenues</u> | | |
| Advertisement Income | 1,11,000 | 5,55,000 |
| | 96,96,28,102 | 98,52,63,743 |
| Less: Excise Duty | 2,61,74,455 | 2,50,51,136 |
| Total Of Revenue From Operations | 94,34,53,647 | 96,02,12,607 |

NOTE 21 : OTHER INCOME

| | ₹ | ₹ |
|---------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Exchange Fluctuation On Exports | - | 15,78,459 |
| Interest Income | 88,11,620 | 2,35,552 |
| Miscellaneous Income | 1,80,000 | - |
| Sundry Balance Written Back | 15,897 | 11,62,372 |
| Total Of Other Income | 90,07,517 | 29,76,382 |

NOTE 22 : COST OF MATERIAL CONSUMED

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Raw Material Consumed | | |
| Opening Stock | 12,13,73,047 | 10,63,44,239 |
| Add: Purchases | 61,41,97,824 | 59,74,77,579 |
| Transport Inwards | 1,43,24,945 | 1,60,62,183 |
| | 74,98,95,816 | 71,98,84,001 |
| Less: Closing Stock | 12,94,23,159 | 12,13,73,047 |
| Total Of Cost Of Material Consumed | 62,04,72,657 | 59,85,10,955 |

NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Inventory (at Commencement) | | |
| Opening Stock-Finished Goods | 2,44,38,655 | 4,83,50,188 |
| Opening Stock-Work In Progress | 11,00,80,633 | 10,51,35,306 |
| Opening Stock-Stock-in-Trade | 14,63,28,161 | 35,70,96,552 |
| Less: Inventory (at Close) | | |
| Less: Trading Stock Transfer Exceptional items | 9,54,48,475 | 10,65,45,954 |
| Less: Closing Stock-Finished Goods | 3,07,71,846 | 2,44,38,655 |
| Less: Closing Stock-Work In Progress | 11,66,95,526 | 11,00,80,633 |
| Less: Closing Stock-Stock-in-Trade | 19,68,205 | 14,63,28,161 |
| Total Of Changes In Inventories Of Finished Goods And Work-In-Progress | 3,59,63,397 | 12,31,88,643 |

NOTE 24 : EMPLOYMENT BENEFIT EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Salaries & Wages | 3,01,56,313 | 2,71,51,025 |
| Contribution To Provident Fund, Gratuity And Other Funds | 7,57,288 | 11,10,809 |
| Director's Remuneration | 60,00,000 | 30,00,000 |
| Staff Welfare | 3,77,592 | 2,69,090 |
| Total Of Employment Benefit Expenses | 3,72,91,193 | 3,15,30,924 |

NOTE 25 : FINANCE COST

| | ₹ | ₹ |
|--------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Interest Expenses | 10,45,10,845 | 11,84,13,070 |
| Other Borrowing Costs | 36,30,098 | 38,13,784 |
| | 10,81,40,942 | 12,22,26,854 |
| Less :-Interest Income | 77,66,175 | 2,29,77,991 |
| Total Of Financial Cost | 10,03,74,767 | 9,92,48,863 |

NOTE 26 : DEPRECIATION & AMORTIZATION EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Depreciation | 2,21,77,700 | 2,27,43,588 |
| Amortisation Of Intangibles | 1,00,27,975 | 1,00,27,979 |
| Total Of Depreciation & Amortization Expenses | 3,22,05,675 | 3,27,71,567 |

NOTE 27 : OTHER EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Note 27 A: Manufacturing Expenses | | |
| Power And Fuel | 26,34,160 | 30,25,476 |
| Job Work Expenses | 1,38,87,144 | 1,14,49,727 |
| Repair & Maintenance To Building | 1,36,842 | 3,05,198 |
| Repair & Maintenance To Machinery | 38,98,592 | 36,83,157 |
| Service Tax | 6,42,404 | 5,87,527 |
| Stores & Packing Material Consumed | 1,87,95,360 | 2,26,06,964 |
| Sub Total Note 27 A | 3,99,94,502 | 4,16,58,049 |
| Note 27 B: Selling & Distribution Expenses | | |
| Sales Promotion & Advertisement Expenses | 10,05,108 | 3,36,316 |
| Freight, Clearing & Forwarding Charges | 35,67,555 | 30,24,631 |
| Loading & Unloading Charges | 48,41,366 | 39,00,098 |
| Commission Charges | 12,00,975 | 10,00,000 |
| Tempo Expenses | 21,15,953 | 19,90,690 |
| Sub Total Note 27 B | 1,27,30,957 | 1,02,51,735 |
| Note 27 C: Administrative Expenses | | |
| Rent Expenses | 13,25,950 | 11,15,240 |
| Insurance Expenses | 8,82,746 | 6,04,421 |
| Rates & Taxes Expenses | 8,97,985 | 4,20,653 |
| Motor Car Expenses | 4,55,710 | 4,42,146 |
| Travelling Expenses | 6,71,956 | 1,44,940 |
| Computer Maintenance | 62,408 | 93,910 |
| Conveyance Expenses | 72,731 | 35,856 |
| Postage & Courier | 1,44,491 | 2,40,657 |
| Legal, Professional & Consultancy Charges | 32,23,607 | 72,69,942 |
| Printing & Stationery | 6,78,378 | 9,96,157 |
| Auditors Remuneration (Refer Note - 32) | 12,50,000 | 11,60,000 |
| Prior Period Items | 9,16,968 | - |
| Electricity Expenses | 1,51,880 | 2,06,474 |
| Exchange Fluctuation On Exports | 24,219 | 58,935 |
| Interest On Delay Payment On Statutory | 1,11,487 | 2,023 |
| Bank Charges | 2,12,470 | 4,61,903 |
| Share Issue Expenses | 1,50,000 | - |
| Listing & Registration Fees | 8,82,345 | 6,04,235 |
| Loss On Sale Of Fixed Assets (Net) | - | 1,488 |
| Subscription Charges | 9,000 | 16,302 |
| Sundry Balance W/Off | 2,234 | - |
| Telephone Expenses | 3,76,435 | 3,45,517 |
| Sundry Expenses | 1,02,904 | 24,42,613 |
| Sub Total Note 27 C | 1,26,05,903 | 1,66,63,412 |
| Total of Other Expenses (Note 27 A+ 27 B+ 27 C) | 6,53,31,362 | 6,85,73,196 |

NOTE 28 : EXCEPTIONAL ITEMS

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Profit on Sale of Fixed Assets | (15,50,641) | 3,76,38,965 |
| Loss on Sale of Non Moving Items | (9,54,48,475) | (10,65,45,954) |
| Prior Period Items | 20,64,441 | - |
| Reversal of Accrued Interest Receivable | - | 35,855 |
| Total of Exceptional Items | (9,49,34,675) | (6,88,71,134) |

Sundaram Multi Pap Limited
Notes forming part of Financial Statements
Note 29

Contingent Liability: (Amount in ₹)
31 March 2017 31 March 2016

Excise duty matter disputed with Commissioner of Central Excise (Appeals) - IV pertaining to FY 2012-13 Nil 4,190,537*

Income Tax:

AY 2012-13 3,542,140 3,542,140
AY 2014-15 5,711,250 5,711,250

*Dispute regarding demand raised on excise duty of usance charges for the financial year 2012-2013, matter disputed with Commissioner of Central Excise (Appeals) - IV.

Note 30

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 31

Balances of certain trade receivables, trade payables and loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material variation affecting the current year's financial statements on account of such reconciliation / adjustments.

Note 32
Auditors Remuneration: (Amount in ₹)

| Particulars | Current Year | Previous Year |
|--------------------|------------------|------------------|
| Audit fees | 3,00,000 | 4,00,000 |
| Tax Audit fees | 75,000 | - |
| Income Tax Matters | 8,00,000 | 7,60,000 |
| Other matter | 75,000 | - |
| Total | 12,50,000 | 11,60,000 |

Note 33
Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

Note 34
Segment Reporting:
Primary Segment (Business):

The Company operates in single business segment of manufacture and sale of exercise note books and paper. Hence, further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.

Note 35
Related Party Disclosures:

a) List of related parties with whom the Company has entered into transactions during the year in the ordinary course of business:

| Relationship | Name | Nature |
|---|----------------------------------|--|
| Wholly owned Subsidiary | E Class Education System Limited | Company |
| Key Management Personnel (KMP) | Mr. Amrut P. Shah | Chairman & Managing Director |
| | Mr. Shantilal P. Shah | Whole-time Director |
| | Mr. Rajesh B. Jain | Chief financial officer |
| | Mr. Bhavesh Chheda | Company Secretary |
| Enterprise over which KMP are able to exercise significant influence | Sundaram Bio-Tech. Pvt. Ltd | Company |
| Relatives of KMP | Mr. Raichand P. Shah | Brother of Amrut P. Shah & Shantilal P. Shah |

b) Transactions with Related Parties:

(Amount in ₹)

| Particulars | Wholly Owned Subsidiary | KMP | Relatives of KMP |
|--|----------------------------|----------|------------------|
| Loan given to E Class Education System Limited | 1,850,000 (100,101,800) | - (-) | - (-) |
| Repayment of loan given to E Class Education System Limited | | | |
| By Issue of Shares | 137,000,000 | - | - |
| By Bank Payment | 9,542,684 | - | - |
| Reimbursement | 295,045 | - | - |
| Interest charged on loan given to E Class Education System Limited | 77,66,175 (22,977,991) | - (-) | - (-) |

| Particulars | Wholly Owned Subsidiary | KMP | Relatives of KMP |
|--------------------------------|-------------------------|--|--|
| Loan Taken | - (-) | 2,42,85,458 (1,02,91,970) | - (-) |
| Details are as under: | | | |
| Mr. Amrut P. Shah | - (-) | 1,89,00,000 (7,431,200) | - (-) |
| Mr. Shantilal P. Shah | - (-) | 5,385,458 (2,860,770) | - (-) |
| Repayment of Loan taken | - (-) | 2,55,08,889 (3,59,90,595) | 1,017,176 (942,700) |
| Details are as under: | | | |
| Mr. Amrut P. Shah | - (-) | 2,25,28,529 (3,10,15,200) | - (-) |
| Mr. Shantilal P. Shah | - (-) | 2,980,130 (4,975,395) | - (-) |
| Mr. Hasmukh A. Gada | - (-) | - (-) | 1,017,176 (942,700) |
| Remuneration | - (-) | 6,000,000 (3,000,000) | 1,500,000 (1,500,000) |
| Details are as under: | | | |
| Mr. Amrut P. Shah | - (-) | 3,390,000 (1,980,000) | - (-) |
| Mr. Shantilal P. Shah | - (-) | 2,610,000 (1,020,000) | - (-) |
| Mr. Raichand P. Shah | - (-) | - (-) | 1,500,000 (1,500,000) |

| | | | |
|---|------------------------------|------------------|----------|
| Interest charged | - (-) | 24,09,838 (-) | - (-) |
| Details are as under: | | | |
| Mr. Amrut P. Shah | - (-) | 10,85,181 (-) | - (-) |
| Mr. Shantilal P. Shah | - (-) | 13,24,657 (-) | - (-) |
| Investment: | | | |
| Equity shares of E-Class Education System Limited | 137,000,000 (100,000,000) | - (-) | - (-) |

Figures in bracket reflects previous year's amount

c) Outstanding Balances of Related Parties:

(Amount in ₹)

| Particulars | Wholly Owned Subsidiary | KMP | Enterprise over which KMP are able to exercise significant influence | Relatives of KMP |
|--|-------------------------------|------------------------------|--|------------------|
| Short term Loans and Advances/ Recoverable | - (137,179,990) | - (-) | - (-) | - (-) |
| Short term Borrowings / Payable | - (-) | 3,30,44,769 (3,29,12,874) | - (-) | - (-) |
| Investments | 38,70,00,000 (250,000,000) | - (-) | - (-) | - (-) |

Figures in bracket reflects previous year's amount.

Note 36

Computation of Basic and Diluted Earnings Per Share (EPS):

| Particulars | Current Year | Previous Year |
|---|---------------|---------------|
| Net Profit/(Loss) After Tax available to equity shareholders (in ₹) | (4,30,63,628) | (64,121,915) |
| Weighted average number of equity shares for Basic and Diluted EPS | 225,715,362 | 215,605,773 |
| Basic and diluted earnings per share (Face Value ₹1) (in ₹) | (0.19) | (0.30) |

Note 37

a) Details of Sales value of Products:

| Class of Goods | Sale Value ₹ | |
|-----------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Class of goods | | |
| Exercise Books | 856,830,331 | 831,635,417 |
| Trading | 86,512,316 | 128,022,189 |
| Total | 94,33,42,647 | 959,657,606 |

The above figures are net of excise duty of ₹ 26,174,455 (P.Y. ₹ 25,118,841)

b) Details of opening & closing stock of Finished Goods:

| Class of Goods | Opening Stock (in ₹) | | Closing Stock (in ₹) | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Exercise Books | 2,44,38,655 | 4,83,50,188 | 3,07,71,846 | 2,44,38,655 |
| Trading of Copier Paper & Others | 14,63,28,161 | 35,70,96,552 | 19,68,205 | 14,63,28,161 |
| Total | 17,07,66,816 | 40,54,46,740 | 3,27,40,051 | 17,07,66,816 |

c) Details of Opening & Closing Stock of Semi Finished Goods:

| Class of Goods | Opening Stock (in ₹) | | Closing Stock (in ₹) | |
|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Exercise Books | 9,97,73,777 | 8,66,28,450 | 10,63,88,670 | 9,97,73,777 |
| Paper | 1,03,06,856 | 1,85,06,856 | 1,03,06,856 | 1,03,06,856 |
| Total | 11,00,80,633 | 10,51,35,306 | 11,66,95,526 | 11,00,80,633 |

Note 38

(I) Value of Raw Material Consumed:

| Particulars | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|--------------------------------------|----------------------------------|----------------|----------------------------------|----------------|
| | Amount (₹) | % | Amount (₹) | % |
| Raw Materials (Paper & Paper Boards) | | | | |
| (i) Imported | - | - | - | - |
| (ii) Indigenous | 62,04,72,657 | 100.00% | 59,85,10,955 | 100.00% |
| Total | 62,04,72,657 | 100.00% | 59,85,10,955 | 100.00% |

(ii) Value of Raw Material Purchase (Breakup)

| Particulars | 2016-17 (Amount in ₹) | 2015-16 (Amount in ₹) |
|--------------|--------------------------|--------------------------|
| Paper | 49,75,08,564 | 494,103,371 |
| Duplex Board | 10,06,06,020 | 82,866,786 |
| Others | 1,60,83,240 | 20,507,422 |
| Total | 61,41,97,824 | 597,477,579 |

(iii) Value of Raw Material imported on C.I.F basis

| Particulars | 2016-17 (Amount in ₹) | 2015-16 (Amount in ₹) |
|-------------------|--------------------------|--------------------------|
| Material imported | 15,679,922 | - |

Note 39

Earnings & Expenditure in Foreign Currency:

(Amount in ₹)

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---------------------|----------------------------------|----------------------------------|
| Expenditure: | | |
| Traveling Expenses | 3,30,960 | - |

Note 40

Employee benefits

1. Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified

percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to ₹ 7.23Lacs (31 March 2016: ₹6.72Lacs) have been charged to the Statement of Profit and Loss. The contributions payable to this plan by the Company is at rates specified in the rules of the scheme.

2. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table sets out the amounts recognized in the Company's financial statements as at 31 March 2017.

| (Amount in ₹) | | |
|---|------------------|------------------|
| Particulars | As at March 2017 | As at March 2016 |
| Change in Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 28,90,158 | 24,92,083 |
| Current Service Cost | 3,04,561 | 2,93,880 |
| Interest Cost | 2,31,213 | 1,99,367 |
| Actuarial Losses / (Gain) | 1,83,722 | 4,55,319 |
| Past Service Cost | - | - |
| Actuarial Losses / (Gain) due to Curtailment | - | - |
| Benefits Paid | (2,12,452) | (5,50,491) |
| Closing Defined Benefit Obligation | 33,97,202 | 28,90,158 |
| Change in Fair Value of Assets : | - | - |
| Opening Fair Value of Plan Assets | 17,03,722 | 18,24,275 |
| Expected Return on Plan Assets | 1,32,799 | 1,32,331 |
| Actuarial Gain / (Losses) | - | - |
| Contributions by Employer | 3,54,602 | 2,97,607 |
| Assets Acquired on Acquisition / (Distributed on Divestiture) | - | - |
| Benefits Paid | (2,12,452) | (5,50,491) |
| Closing Fair Value of Plan Assets | 19,78,670 | 17,03,722 |
| Amount Recognized in Balance Sheet : | | |
| Present Value of Funded Obligations | 33,97,202 | 28,90,158 |
| Fair Value of Plan Assets | 19,78,670 | 17,03,722 |
| Unrecognized Past Service Cost | - | - |
| Net Obligation recognized in Balance Sheet | 14,18,532 | 11,86,436 |
| Expense Recognized in Statement of Profit & Loss Account : | | |
| Current Service Cost | 3,04,561 | 2,93,880 |
| Interest on Defined Benefit Obligation | 2,31,213 | 1,99,367 |
| Expected Return on Plan Assets | (1,32,799) | (1,32,331) |
| Net Actuarial Gain / (Loss) recognized in the year | 1,83,722 | 4,55,319 |
| Expense Recognized in Statement of Profit & Loss Account | 5,86,697 | 8,16,235 |
| Summary of Principal Actuarial Assumptions : | | |
| Discount Rate (p.a.) | 8% | 8% |
| Expected Rate of Return on Assets (p.a.) | | |
| Salary Escalation Rate (p.a.) | 4% | 4% |

Note 41

Disclosure in respect of lease:

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for the period from 1 November 2014 to 31 October 2017 and may be renewed for a further period of 2 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 7% every lease period (18 Months).

| | (Amount in ₹) | |
|--|------------------|------------------|
| Future minimum lease payments | 2017 | 2016 |
| Not later than one year | 11,23,235 | 1,085,450 |
| Later than one year and not later than five years (Up to 31 st October, 2019) | 18,89,895 | 3,013,130 |
| Later than five years | - | - |
| Total | 30,13,130 | 40,98,580 |

Lease payments of ₹ 1,085,450 (31 March 2016: 1,020,000) recognized in the Statement of Profit and Loss.

Note 42

On 14th November 2014, the Board of Directors announced a plan to permanently close down Nagpur Paper Unit subject to the completion of necessary formalities. This is not a separate segment as per AS 17, "Segment Reporting". The disposal is consistent with the Company's long-Term strategy to focus its activities at Palghar unit. The Company is actively seeking a buyer for the plant & machineries and other fixed assets at Nagpur unit and hopes to complete the sale by the end of March 2018. At 31 March 2017, the carrying amount of the assets of the Nagpur unit was ₹ 4094.39 Lakhs (previous year ₹ 4105.39 lakhs) and its liabilities were ₹ 385.18 lakhs (previous year ₹ 415.52 lakhs). In the opinion of the Board of Directors, the assets have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

(Amount in ₹)

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Revenue | - | 380,230 |
| Expenditure | 10,129,812 | 23,265,338 |
| Loss on sale of Asset | - | (5,074,739) |
| Profit Before Tax | (9,615,770) | (27,959,847) |
| Profit After Tax | (9,699,195) | (27,959,847) |
| Total Assets | 409,438,594 | 410,538,488 |
| Total Liabilities | 38,517,534 | 41,552,653 |
| Cash flow(used in)/from Operating Activities | (734,078) | (2,025,964) |
| Cash flow(used in)/from Investing Activities | 2,724,716 | 2,125,000 |
| Cash flow(used in)/from Financing Activities | (2,064,441) | (1,998) |

Note 43

Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act,2013 :

| | | (Amount in ₹) |
|-----------------------------------|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| To Wholly owned Subsidiary | | |
| Loans | - | 137,179,990 |
| Investments | 387,000,000 | 250,000,000 |
| Total | 387,000,000 | 387,179,990 |

Note 44

Disclosure on specified bank notes (SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

| Particulars | SBN * | Other denomination notes | Total |
|--|-----------|--------------------------|------------------|
| Closing cash in hand as on 08.11.2016 | 3,200,000 | 466,097 | 3,666,097 |
| (+) Permitted receipts | - | 3,537,632 | 3,537,632 |
| (-) Permitted payments | - | 2,793,170 | 2,793,170 |
| (-) Amount deposited in banks | 3,200,000 | - | 3,200,000 |
| Closing cash in hand as on 30.12.2016 | - | 1,210,559 | 1,210,559 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 45

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For **Bhuta Shah & Co. LLP**
Chartered Accountants
Firm Registration No. W100100

For and on behalf of
the Board of Directors

| | | |
|---|--|--|
| CA. Shailesh Bhuta Partner Membership No. 033958 | Amrut P. Shah Chairman & Managing Director DIN: 00033120 | Shantilal P. Shah Whole-time Director DIN: 00033182 |
|---|--|--|

| | | |
|--|--|--|
| Mumbai, 23rd May, 2017 | Rajesh B. Jain Chief Financial Officer | Bhavesh Chheda Company Secretary |
|--|--|--|

Independent Auditors' Report

To the Board of Directors of
Sundaram Multi Pap Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Sundaram Multi Pap Limited** ("the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

As more fully explained in Note 39 to the consolidated financial statements, no provision is made for gratuity by the Subsidiary Company which constitutes a departure from the Accounting Standard - 15 "Employee Benefits (revised 2005)". We were unable to obtain sufficient appropriate audit evidence, consequently the impact thereof on the loss for the year and liability as at year end is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its consolidated loss and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to the consolidated financial statements:

Note 30 in the consolidated financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's consolidated financial statements on account of such reconciliation / adjustments. Accordingly, no provision has been made in the consolidated financial statements.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. except for the effect of matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group is disqualified as on 31 March 2017 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary company.

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note No 43 to the consolidated financial statements.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

"Annexure – A"

to Independent Auditors' Report of even date on the consolidated financial statements for the year ended 31 March 2017 referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements"

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Sundaram Multi Pap Limited** ("the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group") as of and for the year ended 31 March 2017 in conjunction with our audit of the consolidated 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Registration No.: W100100

CA. Shailesh Bhuta
Partner
Membership No.: 033958
Mumbai, 23rd May, 2017

SUNDARAM MULTI PAP LIMITED (CONSOLIDATED)
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

| Particulars | Note No. | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------------------|----------|---------------------------|---------------------------|
| | | ₹ | ₹ |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 24,56,05,773 | 21,56,05,773 |
| Reserves And Surplus | 4 | 63,54,65,920 | 60,08,91,388 |
| | | 88,10,71,693 | 81,64,97,161 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 16,64,69,854 | 21,83,91,048 |
| Deferred Tax Liabilities (Net) | 6A | - | 2,17,34,042 |
| Long Term Provisions | 7 | 14,18,532 | 11,86,436 |
| | | 16,78,88,386 | 24,13,11,526 |
| Current Liabilities | | | |
| Short-Term Borrowings | 8 | 57,52,13,344 | 45,99,68,600 |
| Trade Payables | 9 | 14,28,67,663 | 9,66,10,207 |
| Other Current Liabilities | 10 | 9,02,42,215 | 28,75,52,137 |
| Short-Term Provisions | 11 | 12,04,489 | 15,66,479 |
| | | 80,95,27,711 | 84,56,97,423 |
| Total Equity & Liabilities | | 1,85,84,87,790 | 1,90,35,06,110 |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12A | 84,36,25,883 | 86,72,27,602 |
| Intangible Assets | 12B | 3,98,11,364 | 5,20,65,116 |
| Capital Work-In-Progress | | - | 6,05,555 |
| | | 88,34,37,247 | 91,98,98,273 |
| Non-Current Investments | | - | - |
| Deferred Tax Assets (Net) | 6B | 3,63,95,549 | 5,19,55,496 |
| Long Term Loans And Advances | 13 | 4,97,14,705 | 5,80,54,066 |
| | | 8,61,10,254 | 11,00,09,562 |
| | | 96,95,47,501 | 1,02,99,07,834 |
| Current Assets | | | |
| Inventories | 14 | 32,49,84,086 | 44,83,54,411 |
| Trade Receivables | 15 | 38,98,67,636 | 30,35,29,429 |
| Cash And Cash Equivalents | 16 | 23,72,876 | 1,54,87,011 |
| Short-Term Loans And Advances | 17 | 17,15,30,018 | 10,60,80,421 |
| Other Current Assets | 18 | 1,85,673 | 1,47,003 |
| | | 88,89,40,289 | 87,35,98,275 |
| Total Assets | | 1,85,84,87,790 | 1,90,35,06,110 |

Significant Accounting Policies

1 to 44

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director

DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director

DIN: 00033182

Bhavesh Chheda

Company Secretary

SUNDARAM MULTI PAP LIMITED (CONSOLIDATED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

| Particulars | Note No. | As at 31st March, 2017 | As at 31st March, 2016 |
|--|----------|---------------------------|---------------------------|
| <u>INCOME</u> | | ₹ | ₹ |
| Revenue From Operations | 19 | 99,24,32,759 | 98,52,83,187 |
| Other Income | 20 | 92,62,842 | 39,51,601 |
| Total Income (I) | | 1,00,16,95,601 | 98,92,34,789 |
| <u>EXPENSES</u> | | | |
| Cost Of Materials Consumed | 21 | 62,71,36,092 | 60,49,95,542 |
| Purchase Of Stock-In-Trade | | 3,09,30,592 | 1,91,52,133 |
| Changes In Inventories Of Finished Goods And Work-In-Progress | 22 | 3,59,63,397 | 12,31,88,643 |
| Employee Benefits Expenses | 23 | 4,39,03,361 | 3,73,45,028 |
| Finance Costs | 24 | 11,15,89,056 | 12,23,10,095 |
| Depreciation And Amortization Expenses | 25 | 4,06,77,432 | 3,98,85,207 |
| Other Expenses | 26 | 8,14,05,008 | 7,51,99,732 |
| Total Expenses (II) | | 97,16,04,938 | 1,02,20,76,380 |
| Profit / (Loss) before extraordinary items and tax (I) - (II) | | 3,00,90,664 | (3,28,41,592) |
| <u>Other Income</u> | | | |
| Exceptional items | 27 | (9,49,34,675) | (6,88,71,134) |
| Profit Before Tax | | (6,48,44,012) | (10,17,12,726) |
| <u>TAX EXPENSES/ BENEFITS:</u> | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | (61,74,095) | (1,43,99,732) |
| (3) Short / (Excess) Provision Of Earlier Years | | (2,44,449) | (1,36,778) |
| Total Tax Expenses | | (64,18,544) | (1,45,36,510) |
| Profit For The Year | | (5,84,25,468) | (8,71,76,216) |
| Earnings Per Share: (Face Value Of ₹ 1/- Each) | | | |
| (1) Basic | | (0.26) | (0.40) |
| (2) Diluted | | (0.26) | (0.40) |

Significant Accounting Policies

1 to 44

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner

Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director

DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director

DIN: 00033182

Bhavesh Chheda

Company Secretary

SUNDARAM MULTI PAP LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | | April 1, 2016 - March 31, 2017 | | April 1, 2015 - March 31, 2016 | |
|-------------|---|-----------------------------------|----------------|-----------------------------------|----------------|
| | | Amount in ₹ | | Amount in ₹ | |
| A. | CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| | Net Profit / (Loss) before Tax and Extraordinary items | | (6,48,44,012) | | (10,17,12,727) |
| | <i>Adjustment for :</i> | | | | |
| | Depreciation & Amortisation | 4,06,77,432 | | 3,98,85,207 | |
| | Interest Income | (90,13,419) | | (12,10,771) | |
| | Dividend Income | - | | (7,500) | |
| | Interest Paid | 11,15,89,056 | | 13,75,21,912 | |
| | (Profit) / Loss on Sale of Fixed Assets | 15,50,641 | | (8,62,39,041) | |
| | | | 14,48,03,710 | | 8,99,49,807 |
| | Operating profit before working capital changes | | 7,99,59,698 | | (1,17,62,919) |
| | <i>Adjustment for :</i> | | | | |
| | Trade Receivables | (8,63,38,207) | | (5,17,71,934) | |
| | Inventories | 12,33,70,325 | | 22,41,57,702 | |
| | Loans & Advances | (6,24,64,981) | | 2,00,75,478 | |
| | Other Current Assets | (38,670) | | 7,500 | |
| | Trade Payables | 4,62,57,456 | | (6,96,969) | |
| | Other Liabilities & Provisions | (19,70,77,826) | | 5,20,31,728 | |
| | | | (17,62,91,902) | | 24,38,03,505 |
| | Cash generated from operations | | (9,63,32,204) | | 23,20,40,587 |
| | Direct Taxes Paid (Net) | | 52,37,204 | | (7,77,017) |
| | NET CASH FLOW FROM OPERATING ACTIVITIES | | (9,10,95,000) | | 23,12,63,570 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Purchase of Tangible Fixed Assets (Net) | (69,41,123) | | (21,62,792) | |
| | Purchase of Intangible Fixed Assets (Net) | - | | (6,05,555) | |
| | Sale of Tangible Fixed Assets | 11,74,075 | | 9,51,71,008 | |
| | Sale of Investment | - | | 50,000 | |
| | Dividend Received | - | | 7,500 | |
| | Interest Received | 90,13,419 | | 12,10,771 | |
| | NET CASH FLOW FROM INVESTING ACTIVITIES | | 32,46,371 | | 9,36,70,931 |
| C. | CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| | Proceeds from Borrowings | 6,33,23,550 | | (18,49,78,175) | |
| | Proceeds From Issue Of Share Capital | 12,30,00,000 | | | |
| | Interest Paid | (11,15,89,056) | | (13,75,21,912) | |
| | NET CASH FLOW FROM FINANCING ACTIVITIES | | 7,47,34,493 | | (32,25,00,087) |
| | Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C) | | (1,31,14,135) | | 24,34,414 |
| | Cash and Cash equivalents at beginning of the year | 1,54,87,011 | | 1,30,52,597 | |
| | Cash and Cash equivalents at end of the year | 23,72,876 | | 1,54,87,011 | |
| | Net Increase/ (Decrease) | | (1,31,14,135) | | 24,34,414 |

Note:

- Cash and cash equivalents consists of Cash on hand and Balance with banks.
- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants
Firm Registration No.: W100100

CA. Shailesh Bhuta

Partner
Membership No.: 033958

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

Amrut P. Shah

Chairman & Managing Director
DIN: 00033120

Rajesh B. Jain

Chief Financial Officer

Shantilal P. Shah

Whole-time Director
DIN: 00033182

Bhaves Chheda

Company Secretary

Note 1:

Stationery: We design, manufacture and market paper stationery products – exercise note books, long books, note pads, scrap books, drawing books, graph books - for students of all ages, as well as office/corporate stationery products and printing, writing & packaging paper.

We have over 190 varieties of paper stationery products under the brand “Sundaram” which are very popular among the student communities and enjoy very high reputation in the market for its superb quality and durability.

Sundaram multi pap ltd was incorporated on 13th March, 1995 with the Registrar of Companies, Maharashtra, at Mumbai and the Certificate of Commencement of Business was obtained on 10th April, 1995.

At the start of the Company in the year 1995, we had a capacity of 5 tons per day of conversion of paper into paper stationery, which was increased to 60 tons per day as of now which is also considering 75% utilisation of the machinery.

With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

E-learning: Leveraging the powers of Computers and using a blend of Internet, Mobile, and other means of Digital Communication Technologies, E-class Education System Limited our Wholly-owned Subsidiary Company is taking quality and affordable education to reach the millions of Students across the Maharashtra and even the remote areas of the State. E-class aims at educating the Majority of the Students across the state by providing various products such as Smartphone Application, Android Memory cards, Pen-drives etc. E-class offers E-Educational/ Digital products mapped to the Maharashtra State board, for 1st to 10th Standard syllabus courses on all the Subjects in Marathi, English, and Semi-English Languages. Our content have been designed and reviewed by eminent Academicians. It contains various chapter notes along with practical examples which can help to understand the concept. It also contains the question answer and Mind-map at the end of the chapter to test and enhance the knowledge.

With the increasing Government initiatives to promote the vision of Digital India, Universal digital literacy, Universally accessible digital resources, the management is expecting an increase in the demand for E-learning content and positive for the future growth of the Company.

Note 2:**SIGNIFICANT ACCOUNTING POLICIES:****I. PRINCIPLES OF CONSOLIDATION:**

The Consolidated Financial Statements relate to Sundaram Multi Pap Limited (the Company) and its wholly owned subsidiary E-Class Education System Limited.

Basis of Preparation:

The Consolidated Financial Statements have been prepared in accordance with the principles and procedure required for the

preparation and presentation of consolidated financial statement as laid down under the Accounting Standard (AS) 21 – “Consolidated Financial Statements” notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statement comprises the financial statement of the company and its Subsidiary.

Principles of Consolidation:

The Financial Statements of the Company and its wholly owned Subsidiary Company have been combined on a line-by-line basis by adding together book values of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and transaction and unrealized gain/loss.

II. SIGNIFICANT ACCOUNTING POLICIES:**a. Accounting Conventions:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on accrual basis except for certain financial instrument which are measured at fair values to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Use of Estimates:

Preparation of financial statements in conformity of with Indian GAAP requires that the Management of the Company to makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known and if material, their effects are disclosed in the notes to the financial statements.

c. Fixed Assets:

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment and include amounts added on revaluation if any. The cost of Tangible Asset comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition net of any recoverable taxes less accumulated amortization and impairment, if any.

d. Cash Flow Statement:

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary item and tax is adjusted for the effects of transactions of non cash

nature and any deferrals or accruals of past or future, cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information

e. Depreciation / Amortization:

Depreciation on tangible fixed assets is provided on the straight line method as per useful life prescribed in Schedule II of the Act. Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Brand will be amortized over a period of five subsequent years on a systematic basis as decided by the management at the rate of 20% in each year

f. Investment:

Non Current Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary. Current investments are carried at lower of cost or fair value/ market value, determined on individual basis.

g. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

h. Revenue Recognition:

a). The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and VAT.

b). Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

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

i. Export Incentives:

Considering the uncertainty in respect of actual income realizable, which depends on the market conditions, the benefits accruing under the Duty Entitlement Pass Book Scheme, are recognized on the basis of actual realization.

j. Employee Benefits:

a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

1) Defined contribution plans:

The Company makes specified monthly contributions towards

employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii) Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

c) Leave encashment:

Liability on account of Leave Encashment up to year end has been provided/ paid during the year. None of the employee is allowed to carry forward leave to subsequent period.

k. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

l. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit & Loss.

m. Provision for Taxes:

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

1. In E-class education system Limited Deferred tax arising due to timing difference between the book profit and tax profit for the year has been not accounted for. As per AS 22, Deferred Tax assets should be recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The company does not have such virtual certainty hence no DTA is recognized.

2. Deferred tax asset arising due to timing difference between the book profit and tax profit for the year has not been accounted for. Deferred Tax Liability arising from timing differences is not recognized in the opinion that the company is suffering from the losses and there will not be any tax effect flowing to the company in future

n. Impairment of Fixed Assets:

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any

indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

o. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

p. Financial Derivatives Hedging Transaction:

In respect of Derivatives contract, premium paid provision for losses on restatement and gains/losses on settlement are recognized in Statement of Profit & Loss. The company uses Foreign Currency Hedges to manage its risks associated with Foreign Currencies Fluctuation relating to Export receivable. The company does not use Hedges for speculative purpose.

q. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

SUNDARAM MULTI PAP LIMITED (CONSOLIDATED)
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Authorized Capital</u> 250,000,000 (P.Y. 250,000,000) Equity Shares of ₹ 1/- Each | 25,00,00,000 | 25,00,00,000 |
| | 25,00,00,000 | 25,00,00,000 |
| <u>Issued, Subscribed & Paid-up Capital</u> 245,605,773 (31 March 2016: 215,605,773) Equity Shares of ₹ 1/- Each Fully Paid | 24,56,05,773 | 21,56,05,773 |
| Total of Issued, Subscribed And Fully Paid Up Share Capital | 24,56,05,773 | 21,56,05,773 |

a) Reconciliation Of The Number Of Shares Is Set Out Below:

| Particulars | 2016-2017 | | 2015-2016 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Equity Shares | | Equity Shares | |
| | Number | ₹ | Number | ₹ |
| Shares Outstanding At The Beginning Of The Year | 21,56,05,773 | 21,56,05,773 | 21,56,05,773 | 21,56,05,773 |
| Shares Issued During The Year | 3,00,00,000 | 3,00,00,000 | - | - |
| Shares Bought Back During The Year | - | - | - | - |
| Shares Outstanding At The End Of The Year | 24,56,05,773 | 24,56,05,773 | 21,56,05,773 | 21,56,05,773 |

b) Terms And Rights Attached To Equity Shareholders:

The company has only one class of equity shares having a face value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the company in respect of any of the shares of such member. All equity shares of the company rank pari passu in all respects including the right to dividend.

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the memorandum of association and articles of association of the company, as applicable.

c) The company does not have any holding company or ultimate holding company. Promoter shareholding in the company including persons acting in concert with the promoters as on March 31, 2017 is 69,155,585 equity shares i.e. 28.16% of the equity share capital of the company. Previous year March 31, 2016 is 69,455,585 equity shares i.e. 32.21%.
d) The Details Of Share Holders Holding More Than 5% Shares:

| Name Of Shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|------------------------|----------------------|--------------|----------------------|--------------|
| | No. Of Shares held | % of Holding | No. Of Shares held | % of Holding |
| Amrut P Shah | 2,22,83,925 | 9.07 | 2,22,83,925 | 10.34 |
| Raichand P Shah | 2,17,34,503 | 8.85 | 2,17,34,503 | 10.08 |
| Shantilal P Shah | 1,47,87,157 | 6.02 | 1,47,87,157 | 6.86 |
| Ganjam Trading Pvt Ltd | 1,49,99,499 | 6.11 | 1,49,99,499 | 6.96 |

e) The Company has allotted 30,000,000 (FV - ₹ 1/-) equity shares issued at ₹ 4.1/- by way of Qualified Institutional Placment (QIP) in the Financial Year 2016-2017.

NOTE 4 : RESERVES & SURPLUS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| (a) Capital Reserve | | |
| Opening Balance | 7,00,000 | 7,00,000 |
| Add: Capital Reserve | - | - |
| Capital Reserve - Closing Balance | 7,00,000 | 7,00,000 |
| (b) Securities Premium Reserve | | |
| Opening Balance | 46,64,13,981 | 46,64,13,981 |
| Add: Securities Premium Reserve | 9,30,00,000 | - |
| Securities Premium Reserve - Closing Balance | 55,94,13,981 | 46,64,13,981 |
| (c) Revaluation Reserve | | |
| Opening Balance | 35,63,45,790 | 40,49,47,354 |
| Add: Revaluation of Land * | - | (4,86,01,564) |
| Revaluation Reserve - Closing Balance | 35,63,45,790 | 35,63,45,790 |
| (d) General Reserve | | |
| Opening Balance | 1,90,77,775 | 1,69,72,914 |
| Add: Transfer From Statement Of Profit And Loss | - | 21,04,861 |
| General Reserve - Closing Balance | 1,90,77,775 | 1,90,77,775 |
| (e) Surplus In The Statement Of Profit And Loss | | |
| Opening Balance | (24,16,46,158) | (15,44,69,941) |
| Add: Depreciation Adjusted Against Free Reserves | - | - |
| Add: Net Profit/(Loss) For The Year | (5,84,25,468) | (8,71,76,217) |
| Balance Available For Appropriation | (30,00,71,626) | (24,16,46,158) |
| Transfer To General Reserve | - | - |
| Net Surplus In The Statement Of Profit And Loss | (30,00,71,626) | (24,16,46,158) |
| Total Of Reserves And Surplus | 63,54,65,920 | 60,08,91,388 |

*The Company has revalued its Land at Palghar on 31st May 2013

NOTE 5 : LONG TERM BORROWINGS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Term Loan</u> | | |
| Secured | | |
| From Banks | | |
| State Bank Of India * | 14,62,55,052 | 18,74,35,204 |
| Development Bank of India * | 41,00,000 | 21,75,376 |
| Yes Bank ** | - | 1,00,00,000 |
| Vehicle Loans *** | - | - |
| From Others | | |
| From Other Parties | 25,59,952 | 31,61,177 |
| <u>Deferred Payment Liabilities</u> | | |
| Unsecured | | |
| Sales Tax Deferred Loan @ | 1,35,54,850 | 1,35,54,850 |
| Loan From Sicom | - | 20,64,441 |
| Total Of Long Term Borrowings | 16,64,69,854 | 21,83,91,048 |

*** Corporate Loan-State Bank Of India (SBI)**

Secured primarily by first charge (Hypothecation and mortgage) over the Fixed assets (immovable and movable) of the company as well as personal guarantee of three directors and collaterally secured by extension of hypothecation charge over entire current assets of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loan carries floating rate of interest of 3.1% above base rate. The repayment of the Loan has commenced from September 2015 and to be fully repaid by March 2020.

Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) - SBI and Industrial Development Bank of

Secured primarily by first pari passu charge over the entire current assets (present and future) of the company as well as personal guarantee of three directors and collaterally secured by second pari - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the Company, with IDBI bank. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loans carries floating rate of interest ranging between 2.75% to 3.1% above base rate. The repayment of WCTL has commenced from September 2015 and has been fully repaid in December 2016. The repayment of FITL has commenced from December 2015 and to be fully repaid by March 2020.

** Secured by subservient charge over current and movable fixed assets of the company as well as personal guarantee of three directors and pledge of shares of the Company carrying floating rate of interest ranging between 2% to 2.75% above base rate and repayable by March, 2018.

*** Secured by Hypothecation of respective vehicles purchased carrying interest of 12% and repayable by March-2021.

@ The Company has submitted a letter dated 27 March 2017 to Joint Director of Industries, Nagpur, requesting for change in name of the unit. The liability will crystalize for payment in future depending on the change of name of the unit to be approved by the said authorities.

5.1 Out of the above loans, two Directors of the Company have given their personal guarantee for secured loans (except vehicle loan).

NOTE 6 : DEFERRED TAX ASSETS AND LIABILITIES (NET)

(A) Classified on a Company wise basis:

| | ₹ | ₹ |
|-------------------------------|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| (i) Deferred tax asset | 3,63,95,549 | 5,19,55,496 |
| (ii) Deferred tax liability | - | (2,17,34,042) |
| Net Deferred Tax Asset | 3,63,95,549 | 3,02,21,454 |

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

| | ₹ | ₹ |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Liabilities | | |
| Depreciation | 35,43,927 | 4,47,44,393 |
| (A) | 35,43,927 | 4,47,44,393 |
| Assets | | |
| Employee Benefits / Expenses Allowable on Payment Basis | 4,38,326 | 3,66,609 |
| Unabsorbed Depreciation and business losses | 3,99,39,476 | 7,45,99,238 |
| (B) | 4,03,77,803 | 7,49,65,847 |
| Less: Opening Net Deferred Tax Liability | (3,02,21,454) | (1,58,21,722) |
| (C) | | |
| Net Deferred Tax Liability Charged To Statement Of Profit And Loss (D) = A-B-C | (61,74,095) | (1,43,99,732) |

NOTE 7 : LONG TERM PROVISIONS

| | ₹ | ₹ |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Provision For Employees Benefit</u> | | |
| Provision For Gratuity | 14,18,532 | 11,86,436 |
| Total of Long Term Provisions | 14,18,532 | 11,86,436 |

Note : 8 SHORT TERM BORROWINGS

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| <u>Loan Repayable On Demand</u> | | |
| <u>From Banks</u> | | |
| Secured | | |
| Cash Credit From State Bank Of India ** | 20,62,99,083 | 12,61,01,133 |
| Cash Credit From Industrial Development Bank Of India ** | 4,18,79,654 | 2,52,58,474 |
| <u>Loans & Advances From Related Parties</u> | | |
| Unsecured | | |
| Loan From Directors ## | 5,42,97,033 | 6,17,19,213 |
| Loans From Others | 1,31,98,000 | 25,00,000 |
| <u>Deposit</u> | | |
| Unsecured | | |
| Intercompany Deposits ### | 14,87,94,575 | 24,36,44,781 |
| From Others Party | 11,07,45,000 | 7,45,000 |
| Total Of Short Term Borrowings | 57,52,13,344 | 45,99,68,600 |

** Secured primarily by first pari passu charge over stock and book debts of the Company with other working capital lender and personal guarantee of three Directors and collaterally secured by second pari - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said loan carries interest rate ranging between 2.75% to 3.1% above base rate.

It consist of loan from two Directors and interest charged @ 12%. Further, all the loans are provided by the director from their own funds.

All inter corporate deposits are taken against pledge of Promoters Equity Shares held in the Company.

NOTE 9 : TRADE PAYABLES

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| Trade Payables (Refer Note 32 For Details Of Dues To Micro, Small And Medium Enterprises) | 14,28,67,663 | 9,66,10,207 |
| Total Of Trades Payable | 14,28,67,663 | 9,66,10,207 |

NOTE 10 : OTHER CURRENT LIABILITIES

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|---|--------------------------------|--------------------------------|
| <u>Current Maturities Of Long-Term Borrowings (Refer Note 3)</u> | | |
| From Banks | 5,24,00,000 | 25,55,30,215 |
| Vehicle Loans | 6,77,125 | 7,39,091 |
| Sales Tax Deferred Loan | 1,24,660 | 1,24,660 |
| Advance From Customers | 75,56,696 | 1,07,94,968 |
| Interest Accrued But Not Due On Borrowings | 21,848 | - |
| Interest accrued and due on borrowings | 51,24,823 | 19,00,075 |
| Unpaid Dividend | 2,74,482 | 3,28,730 |
| <u>Other Payables</u> | | |
| Outstanding Expenses | 1,67,65,108 | 1,51,20,749 |
| Outstanding Statutory Liabilities | 65,97,473 | 22,33,648 |
| Trade Deposits | 7,00,000 | 7,80,000 |
| Total Of Other Current Liabilities | 9,02,42,215 | 28,75,52,137 |

NOTE 11 : SHORT TERM PROVISIONS

| | ₹ As at 31st March, 2017 | ₹ As at 31st March, 2016 |
|---------------------------------------|--------------------------------|--------------------------------|
| <u>Others</u> | | |
| Provision For Income Tax | 12,04,489 | 15,66,479 |
| Total Of Short Term Provisions | 12,04,489 | 15,66,479 |

SUNDARAM MULTI PAP LIMITED
CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12 : FIXED ASSETS AS ON 31st March 2017

| PARTICULARS | GROSS BLOCK (AT COST) | | | DEPRECIATION | | NET BLOCK | |
|------------------------------------|-----------------------|---------------------------|----------------------------|-----------------------|--------------------|----------------------------|-----------------------|
| | As on 1st April, 2016 | Additions During the Year | Deductions During the Year | As on 31st March 2017 | For the Year | Deductions During the Year | As on 31st March 2017 |
| A. Tangible Assets: (Owned) | | | | | | | |
| Freehold Land | 53,48,55,188 | - | - | 53,48,55,188 | - | - | 53,48,55,188 |
| Building | 21,84,13,827 | - | - | 21,84,13,827 | 43,07,343 | - | 11,73,40,794 |
| Plant & Machinery | 25,53,75,322 | 22,67,700 | 31,23,039 | 25,45,19,983 | 98,01,632 | 3,98,323 | 16,35,31,553 |
| Furniture & Fixture | 8,16,08,463 | - | - | 8,16,08,463 | 55,94,924 | - | 1,77,73,999 |
| Vehicles | 3,16,05,831 | - | - | 3,16,05,831 | 30,61,864 | - | 90,14,015 |
| Office Equipments | 1,11,14,898 | 1,34,645 | - | 1,12,49,543 | 5,13,585 | - | 11,10,335 |
| Total Tangible Assets | 1,13,29,73,529 | 24,02,345 | 31,23,039 | 1,13,22,52,835 | 2,32,79,348 | 3,98,323 | 84,36,25,885 |
| B. Intangible Assets: | | | | | | | |
| Brand | 7,29,30,746 | - | - | 7,29,30,746 | 1,00,27,975 | - | - |
| Knowledge Based Content | 12,08,45,633 | 51,44,333 | - | 12,59,89,966 | 71,37,112 | - | 3,95,69,619 |
| Website | 11,22,192 | - | - | 11,22,192 | 2,32,997 | - | 2,41,745 |
| Total Intangible Assets | 19,48,98,571 | 51,44,333 | - | 20,00,42,904 | 1,73,98,084 | - | 3,98,11,364 |
| TOTAL (A+B) | 1,32,78,72,100 | 75,46,678 | 31,23,039 | 1,33,22,95,739 | 4,06,77,432 | 3,98,323 | 88,34,37,249 |
| Previous Year | 1,38,52,97,066 | 21,62,792 | 59,58,758 | 1,32,78,72,100 | 3,98,85,208 | 20,54,226 | 91,92,92,719 |

NOTE 13 : LONG TERM LOANS AND ADVANCES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Security Deposits | | |
| Secured, Considered Good | 19,04,870 | 29,58,171 |
| Unsecured, Considered Good | 48,55,285 | 48,55,285 |
| Other Loans & Advances | 4,29,54,550 | 5,02,40,610 |
| Total Of Long Term Loans And Advances | 4,97,14,705 | 5,80,54,066 |

NOTE 14 : INVENTORIES

| | ₹ | ₹ |
|-----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Raw Materials | 15,83,79,478 | 15,04,39,756 |
| Work-In-Progress | 11,66,95,526 | 11,00,80,633 |
| Finished Goods | 3,07,71,846 | 2,44,38,655 |
| Trading Goods | 19,68,205 | 14,63,28,161 |
| Stores & Spares | 1,71,69,032 | 1,70,67,207 |
| Total Of Inventories | 32,49,84,086 | 44,83,54,411 |

NOTE 15 : TRADE RECEIVABLES

| | ₹ | ₹ |
|--------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Debts Overdue Beyond 6 Months | | |
| Unsecured, Considered Good | 23,46,76,550 | 16,85,02,320 |
| Others | | |
| Unsecured, Considered Good | 15,51,91,086 | 13,50,27,109 |
| Total Of Trade Receivables | 38,98,67,636 | 30,35,29,429 |

NOTE 16 : CASH AND CASH EQUIVALENTS

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Cash-In-Hand | | |
| Cash Balance | 13,49,337 | 31,76,512 |
| Sub Total (A) | 13,49,337 | 31,76,512 |
| Bank Balance | | |
| In Current Accounts | 6,98,069 | 3,71,431 |
| In Deposit Accounts | - | 1,15,59,351 |
| In Dividend Accounts | 3,25,469 | 3,79,717 |
| Sub Total (B) | 10,23,538 | 1,23,10,499 |
| Total Of Cash And Cash Equivalent (A) + (B) | 23,72,876 | 1,54,87,011 |

Includes Deposit With Banks Of ₹ Nil (31 March 2016: ₹ 11,559,351) With original maturity Of more than 12 months

NOTE 17 : SHORT TERM LOANS AND ADVANCES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Deposits | | |
| Tander Deposits | 54,44,012 | 34,93,839 |
| Others | | |
| Unsecured, Considered Good | | |
| Advance To Suppliers | 3,15,46,106 | 2,62,69,762 |
| Advance Income Tax (Net Off Provision For Tax) | 65,61,803 | 1,15,29,525 |
| Balance With Revenue Authorities | 71,97,807 | 73,18,651 |
| Prepaid Expenses | 18,03,135 | 58,09,851 |
| Advance To Employees | 3,39,590 | 3,39,590 |
| Other Advances | 11,86,37,564 | 5,13,19,203 |
| Total Of Short Term Loans And Advances | 17,15,30,018 | 10,60,80,421 |

NOTE 18 : OTHER CURRENT ASSETS

| | ₹ | ₹ |
|--------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Dividend Receivable | - | 7,500 |
| Interest Receivable | 1,85,673 | 1,39,503 |
| Total Of Other Current Assets | 1,85,673 | 1,47,003 |

NOTE 19 : REVENUE FROM OPERATIONS

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Sale of Products</u> | | |
| Local Sales | 93,19,83,898 | 88,17,57,134 |
| Trading Sales | 8,65,12,316 | 12,80,22,189 |
| | 1,01,84,96,214 | 1,00,97,79,323 |
| <u>Other Operating Revenues</u> | | |
| Advertisement Income | 1,11,000 | 5,55,000 |
| | 1,01,86,07,214 | 1,01,03,34,323 |
| Less: Excise Duty | 2,61,74,455 | 2,50,51,136 |
| Total Of Revenue From Operations | 99,24,32,759 | 98,52,83,187 |

NOTE 20 : OTHER INCOME

| | ₹ | ₹ |
|---------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Exchange Fluctuation On Exports | - | 15,78,459 |
| Interest Income | 90,13,419 | 12,10,771 |
| Miscellaneous Income | 2,05,500 | - |
| Sundry Balance Written Back | 43,923 | 11,62,372 |
| Total Of Other Income | 92,62,842 | 39,51,601 |

NOTE 21 : COST OF MATERIAL CONSUMED

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| <u>Raw Material Consumed</u> | | |
| Opening Stock | 15,04,39,756 | 13,84,28,858 |
| Add: Purchases | 62,07,50,869 | 60,09,44,257 |
| Transport Inwards | 1,43,24,945 | 1,60,62,183 |
| | 78,55,15,569 | 75,54,35,298 |
| Less: Closing Stock | 15,83,79,478 | 15,04,39,756 |
| Total Of Cost Of Material Consumed | 62,71,36,092 | 60,49,95,542 |

NOTE 22: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Inventory (at Commencement) | | |
| Opening Stock-Finished Goods | 2,44,38,655 | 4,83,50,188 |
| Opening Stock-Work In Progress | 11,00,80,633 | 10,51,35,306 |
| Opening Stock-Stock-in-Trade | 14,63,28,161 | 35,70,96,552 |
| Less: Inventory (at Close) | | |
| Less: Trading Stock Transfer Exceptional items | 9,54,48,475 | 10,65,45,954 |
| Less: Closing Stock-Finished Goods | 3,07,71,846 | 2,44,38,655 |
| Less: Closing Stock-Work In Progress | 11,66,95,526 | 11,00,80,633 |
| Less: Closing Stock-Stock-in-Trade | 19,68,205 | 14,63,28,161 |
| Total Of Changes In Inventories Of Finished Goods And Work-In-Progress | 3,59,63,397 | 12,31,88,643 |

NOTE 23 : EMPLOYMENT BENEFIT EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Salaries & Wages | 3,30,08,662 | 3,07,86,163 |
| Contribution To Provident Fund, Gratuity And Other Funds | 10,99,340 | 14,13,814 |
| Director's Remuneration | 92,00,000 | 48,00,000 |
| Staff Welfare | 5,95,359 | 3,45,051 |
| Total Of Employment Benefit Expenses | 4,39,03,361 | 3,73,45,028 |

NOTE 24 : FINANCE COST

| | ₹ | ₹ |
|--------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Interest Expenses | 10,79,58,959 | 11,84,96,311 |
| Other Borrowing Costs | 36,30,098 | 38,13,784 |
| Total Of Financial Cost | 11,15,89,056 | 12,23,10,095 |

NOTE 25 : DEPRECIATION & AMORTIZATION EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Depreciation | 2,32,79,347 | 2,33,14,088 |
| Amortisation Of Intangibles | 1,73,98,085 | 1,65,71,119 |
| Total Of Depreciation & Amortization Expenses | 4,06,77,432 | 3,98,85,207 |

NOTE 26 : OTHER EXPENSES

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Note 26 A: Manufacturing Expenses | | |
| Power And Fuel | 26,34,160 | 30,25,476 |
| Job Work Expenses | 1,54,17,617 | 1,14,49,727 |
| Repair & Maintenance To Building | 1,66,976 | 3,39,597 |
| Repair & Maintenance To Machinery | 38,98,592 | 36,83,157 |
| Service Tax | 6,42,404 | 5,87,527 |
| Other Manufacturing Exp | - | - |
| Stores & Packing Material Consumed | 1,87,95,360 | 2,26,06,964 |
| Sub Total Note 26 A | 4,15,55,109 | 4,16,92,448 |
| Note 26 B: Selling & Distribution Expenses | | |
| Sales Promotion & Advertisement Expenses | 17,71,483 | 12,11,620 |
| Freight, Clearing & Forwarding Charges | 36,12,121 | 31,12,020 |
| Loading & Unloading Charges | 48,41,366 | 39,00,098 |
| Commission Charges | 41,09,161 | 24,58,126 |
| Tempo Expenses | 21,15,953 | 19,90,690 |
| Sub Total Note 26 B | 1,64,50,084 | 1,26,72,554 |

NOTE 26 : OTHER EXPENSES

| | ₹ | ₹ |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Note 26 C: Administrative Expenses | | |
| Rent Expenses | 24,11,400 | 21,51,240 |
| Insurance Expenses | 8,82,746 | 6,04,421 |
| Rates & Taxes Expenses | 9,46,995 | 4,20,653 |
| Motor Car Expenses | 6,31,479 | 5,19,145 |
| Travelling Expenses | 8,55,368 | 2,16,025 |
| Computer Maintenance | 76,660 | 1,69,976 |
| Conveyance Expenses | 1,70,732 | 1,46,080 |
| Postage & Courier | 2,79,580 | 4,58,085 |
| Legal, Professional & Consultancy Charges | 48,73,446 | 87,31,703 |
| Printing & Stationery | 8,50,524 | 11,50,434 |
| Auditors Remuneration (Refer Note - 31) | 13,25,000 | 12,25,000 |
| Prior Period Items | 34,08,946 | - |
| Electricity Expenses | 3,58,760 | 3,58,444 |
| Exchange Fluctuation On Exports | 24,219 | 58,935 |
| Interest On Delay Payment On Statutory | 2,16,743 | 3,20,470 |
| Bank Charges | 2,60,883 | 4,83,831 |
| Share Issue Expenses | 11,77,500 | - |
| Listing & Registration Fees | 9,70,845 | 6,66,742 |
| Loss On Sale Of Fixed Assets (Net) | - | 1,488 |
| Subscription Charges | 9,000 | 22,302 |
| Sundry Balance W/Off | 26,22,690 | 21,520 |
| Telephone Expenses | 4,86,304 | 5,27,157 |
| Stamp Duty | 4,20,210 | 1,00,000 |
| Sundry Expenses | 1,39,787 | 24,81,079 |
| Sub Total Note 26 C | 2,33,99,816 | 2,08,34,730 |
| Total of Other Expenses (Note 26 A+ 26 B+ 26 C) | 8,14,05,008 | 7,51,99,732 |

NOTE 27 : EXCEPTIONAL ITEMS

| | ₹ | ₹ |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Profit on Sale of Fixed Assets | (15,50,641) | 3,76,38,965 |
| Loss on Sale of Non Moving Items | (9,54,48,475) | (10,65,45,954) |
| Prior Period Items | 20,64,441 | - |
| Reversal of Accrued Interest Receivable | - | 35,855 |
| Total of Exceptional Items | (9,49,34,675) | (6,88,71,134) |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 28

| Contingent Liability: | | (Amount in ₹) |
|---|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Excise duty matter disputed with Commissioner of Central Excise (Appeals) – IV pertaining to FY 2012-13 | Nil | 4,190,537* |
| Income Tax: | | |
| AY 2012-13 | 3,542,140 | 3,542,140 |
| AY 2014-15 | 5,711,250 | 5,711,250 |

*Dispute regarding demand raised on excise duty of usance charges for the financial year 2012-2013, matter disputed with Commissioner of Central Excise (Appeals) – IV.

Note 29

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 30

Balances of certain trade receivables, trade payables, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

Note 31:

Auditors Remuneration: (Amount in ₹)

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|--------------------|-------------------------------|-------------------------------|
| Audit fees | 400,000 | 450,000 |
| Tax Audit fees | 100,000 | 25,000 |
| Income Tax Matters | 800,000 | 760,000 |
| Others | 75,000 | - |
| Total | 1,325,000 | 1,235,000 |

Note 32:

Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

Note 33

Segment Reporting:

Primary Segment (Business):

The group Companies operate in business segment of:-

- 1) Manufacture and sale of exercise note books and paper.
- 2) Development and sale of software for educational content.

Segment Reporting for Consolidated Financials

| Sr. No. | Particulars | Paper and Paper Products For the year ended 31.03.2017 | For the year ended 31.03.2016 | Software for educational content For the year ended 31.03.2017 | For the year ended 31.03.2016 | Eliminations For the year ended 31.03.2017 | For the year ended 31.03.2016 | Consolidated Total For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---------|--|--|----------------------------------|--|----------------------------------|--|----------------------------------|--|----------------------------------|
| I | REVENUE | | | | | | | | |
| | External Total Revenue | 94,34,53,647.00 | 96,02,12,607.00 | 4,89,79,112.00 | 2,50,70,580.00 | | | 99,24,32,759.00 | 98,52,83,187.00 |
| II | RESULT | | | | | | | | |
| 1 | Segment Result # | 3,53,31,614.00 | 2,05,90,437.00 | 1,14,13,431.00 | 6,932.00 | | | 4,67,45,045.00 | 2,05,97,369.00 |
| 2 | Unallocated Corporate Expenses | | | | | | | - | - |
| 3 | Operating Profit (1) - (2) | | | | | | | 4,67,45,045.00 | 2,05,97,369.00 |
| 4 | Interest expense | | | | | | | (11,15,89,056.00) | (12,23,10,095.00) |
| 5 | Income Taxes | | | | | | | 64,18,544.00 | 1,45,36,510.00 |
| 6 | Profit from ordinary activities / Net Profit (3) - (4) - (5) | | | | | | | (5,84,25,468.00) | (8,71,76,217.00) |
| III | OTHER INFORMATION | | | | | | | | |
| | Total Segment Assets | 2,02,91,14,034.00 | 2,06,54,70,974.00 | 21,63,73,756.00 | 22,52,15,125.00 | (38,70,00,000.00) | (38,71,79,990.00) | 1,85,84,87,790.00 | 1,90,35,06,109.00 |
| | Total Segment Liabilities | 93,13,50,464.00 | 1,04,76,43,775.00 | 4,60,65,633.00 | 17,65,45,164.00 | - | (13,71,79,990.00) | 97,74,16,097.00 | 1,08,70,08,949.00 |
| IV | Capital Expenditure | 2,22,67,700.00 | 1,13,323.00 | 46,73,423.00 | 20,49,469.00 | - | - | 2,69,41,123.00 | 21,62,792.00 |
| V | Depreciation | 3,22,05,675.00 | 3,27,71,567.00 | 84,71,757.00 | 71,13,640.00 | | | 4,06,77,432.00 | 3,98,85,207.00 |

Segment Result does not include Finance cost as per AS - 17 " Segment Reporting" issued by The Institute of Chartered Accountants of India.

Note 34
Related Party Disclosures:

a) List of related parties with whom the Company has entered into transactions during the year in the ordinary course of business:

| Relationship | Name | Nature |
|---|---|--|
| Key Management Personnel (KMP) | Mr. Amrut P. Shah | Chairman & Managing Director |
| | Mr. Shantilal P. Shah | Whole-time Director |
| | Mr. Rajesh B. Jain | Chief Financial Officer |
| | Mr. Bhavesh Chheda | Company Secretary |
| Enterprise over which KMP are able to exercise significant influence | Ms. Riddhi A. Shah (Resigned w.e.f 01/12/2016) | Whole-time Director |
| | Mr. Hardik A. Shah | Whole-time Director |
| | Sundaram Bio-Tech Pvt Ltd | Company |
| | Mr. Raichand P. Shah | Brother of Amrut P. Shah and Shantilal P. Shah |

b) Transactions with Related Parties:

(Amount in ₹)

| Particulars | KMP | Relatives of KMP |
|------------------------------|----------------------------------|----------------------------------|
| Remuneration | 9,200,000 (4,800,000) | 1,500,000 (1,500,000) |
| <u>Details are as under:</u> | | |
| Mr. Amrut P. Shah | 3,390,000 (1,980,000) | - (-) |
| Mr. Shantilal P. Shah | 2,610,000 (1,020,000) | - (-) |
| Mr. Hasmukh A. Gada | - (-) | - (-) |
| Mr. Chirag K. Gala | - (-) | - (-) |
| Ms. Riddhi A Shah | 800,000 (1,200,000) | - (-) |
| Mr. Hardik A. Shah | 2,400,000 (6,000,00) | - (-) |
| Mr. Raichand P. Shah | - (-) | 1,500,000 (1,500,000) |

| | | |
|--------------------------------|------------------------------------|-------------------------|
| Loan Taken | 29,250,458 (10,291,970) | - (-) |
| <u>Details are as under:</u> | | |
| Mr. Amrut P. Shah | 23,865,000 (7,431,200) | - (-) |
| Mr. Shantilal P. Shah | 5,385,458 (28,607,70) | - (-) |
| Mr. Hasmukh A. Gada | - (-) | - (-) |
| Repayment of Loan taken | 14,611,060 (53,999,085) | - (-) |
| <u>Details are as under:</u> | | |
| Mr. Amrut P. Shah | 26,157,737 (49,015,200) | - (-) |
| Mr. Shantilal P. Shah | 4,274,818 (4,975,395) | - (-) |
| Mr. Hasmukh A. Gada | - (-) | 1,017,176 (9,427,00) |
| Mr. Raichand P. Shah | - (-) | - (8490) |
| Interest Paid | 5,857,952 (-) | - (-) |
| Mr. Amrut P. Shah | 2,624,817 (-) | - (-) |
| Mr. Shantilal P. Shah | 3,233,135 (-) | - (-) |

Figures in bracket reflects previous year's amount.

c) Outstanding Balances of Related Parties:

(Amount in ₹)

| Particulars | KMP | Relatives of KMP | Enterprise over which KMP are able to exercise significant influence |
|---|----------------------------|------------------|--|
| Short term Borrowings / Payable | 64,995,032 (61,719,211) | - (-) | - (-) |
| Short term Loans and Advances / Recoverable | - (-) | - (-) | - (-) |

Note 35 Computation of Basic and Diluted Earnings Per Share (EPS):

(Amount in ₹)

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---|----------------------------------|----------------------------------|
| Net Profit/(Loss) After Tax available to equity shareholders (in ₹) | (58,425,468) | (87,176,217) |
| Weighted average number of equity shares for Basic and Diluted EPS | 266,223,105 | 215,605,773 |
| Basic and diluted earnings per share (Face Value ₹ 1) (in ₹) | (0.26) | (0.40) |

Note 36
a) Details of Sales value of Products:

| Particular | Sale Value ₹ | |
|-----------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Class of goods | | |
| Exercise Books | 856,830,331 | 831,635,417 |
| Paper | - | - |
| Trading | 86,512,316 | 128,022,189 |
| E-box and Pen Drive | 48,979,112 | 25,070,580 |
| Total | 992,321,759 | 984,728,186 |

The above figures are net of excise duty of ₹ 26,174,455 (P.Y. ₹ 25,118,841)

b) Details of Opening & Closing Stock of Finished Goods:

| Class of Goods | Opening Stock (in ₹) | | Closing Stock (in ₹) | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Exercise Books | 24,438,655 | 48,350,188 | 30,771,846 | 24,438,655 |
| Paper | - | - | - | - |
| Trading of Copier Paper & Others | 146,328,161 | 357,096,552 | 1,968,205 | 146,328,161 |
| Total | 170,766,816 | 405,446,740 | 32,740,051 | 170,766,816 |

c) Details of Opening & Closing Stock of Semi-Finished Goods:

| Class of Goods | Opening Stock (in ₹) | | Closing Stock (in ₹) | |
|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2017 | For the year ended 31.03.2016 | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| Exercise Books | 99,773,777 | 86,628,450 | 106,388,670 | 99,773,777 |
| Paper | 10,306,856 | 18,506,856 | 10,306,856 | 10,306,856 |
| Total | 110,080,633 | 105,135,306 | 116,695,526 | 110,080,633 |

Note 37
(I) Value of Raw Material Consumed:

| Particulars | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|--------------------------------------|----------------------------------|---------|----------------------------------|---------|
| | Amount (₹) | % | Amount (₹) | % |
| Raw Materials (Paper & Paper Boards) | | | | |
| (i) Imported | - | - | - | - |
| (ii) Indigenous | 620,472,657 | 100.00% | 598,510,955 | 100.00% |
| Total | 620,472,657 | | 598,510,955 | |
| Hardware | | | | |
| (i) Imported | - | - | - | - |
| (ii) Indigenous | 6,663,434 | 100.00% | 6,484,588 | 100.00% |
| Total | 6,663,434 | | 6,484,588 | |
| Total | 627,136,092 | | 604,995,543 | |

(ii) Value of Raw Material Purchase (Breakup):

| Raw Material Purchase (Breakup) | 2016-17 (Amount in ₹) | 2015-16 (Amount in ₹) |
|---------------------------------|--------------------------|--------------------------|
| Paper | 497,508,564 | 494,103,371 |
| Duplex Board | 100,606,020 | 82,866,786 |
| E-box and Pen Drive | 6,553,044 | 3,466,678 |
| Others | 16,083,240 | 20,507,422 |
| Total | 620,750,868 | 600,944,257 |

(iii) Value of Raw Material imported CIF Basis

| | 2016-17 (Amount in ₹) | 2015-16 (Amount in ₹) |
|-----------------------|--------------------------|--------------------------|
| Raw Material imported | 15,679,922 | NIL |

Note 38
Earnings & Expenditure in Foreign Currency:

| Particulars | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---------------------|----------------------------------|----------------------------------|
| Expenditure: | | |
| Traveling Expenses | 3,30,960 | - |

Note 39
Employee Benefits
1. Defined contribution plans:

The Company and aforesaid subsidiary makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to ₹ 9.51 Lacs (2016: ₹ 9.15 Lacs) have been charged to the Statement of Profit and Loss. The contributions payable to this plan by the Company is at rates specified in the rules of the scheme.

2. Defined benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Since none of the employees of the subsidiary company have completed five years of service, the provisions of Gratuity Act, 1972 are not applicable to the Company; and hence no provision is made towards Gratuity Liability.

The following table sets out the amounts recognized in the Company's financial statements as at 31st March 2017.

(Amount in ₹)

| Particulars | As at March 2017 | As at March 2016 |
|---|------------------|------------------|
| Change in Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 2,890,158 | 2,492,083 |
| Current Service Cost | 304,561 | 293,880 |
| Interest Cost | 231,213 | 199,367 |
| Actuarial Losses / (Gain) | 183,722 | 455,319 |
| Past Service Cost | - | - |
| Actuarial Losses / (Gain) due to Curtailment | - | - |
| Benefits Paid | (212,452) | (550,491) |
| Closing Defined Benefit Obligation | 3,397,202 | 2,890,158 |
| Change in Fair Value of Assets: | | |
| Opening Fair Value of Plan Assets | 1,703,722 | 1,824,275 |
| Expected Return on Plan Assets | 132,799 | 132,331 |
| Actuarial Gain / (Losses) | - | - |
| Contributions by Employer | 354,602 | 297,607 |
| Assets Acquired on Acquisition / (Distributed on Divestiture) | - | - |
| Benefits Paid | (212,452) | (550,491) |
| Closing Fair Value of Plan Assets | 1,978,670 | 1,703,722 |

| | | |
|---|------------------|------------------|
| Amount Recognized in Balance Sheet : | | |
| Present Value of Funded Obligations | 3,397,202 | 2,890,158 |
| Fair Value of Plan Assets | 1,978,670 | 1,703,722 |
| Unrecognized Past Service Cost | - | - |
| Net Obligation recognized in Balance Sheet | 1,418,532 | 1,186,436 |
| | | |
| Expense Recognized in Statement of Profit & Loss Account : | | |
| Current Service Cost | 304,561 | 293,880 |
| Interest on Defined Benefit Obligation | 231,213 | 199,367 |
| Expected Return on Plan Assets | (132,799) | (132,331) |
| Net Actuarial Gain / (Loss) recognized in the year | 183,722 | 455,319 |
| Expense Recognized in Statement of Profit & Loss Account | 586,697 | 816,235 |
| | | |
| Summary of Principal Actuarial Assumptions : | | |
| Discount Rate (p.a.) | 8% | 8% |
| Expected Rate of Return on Assets (p.a.) | | |
| Salary Escalation Rate (p.a.) | 4% | 4% |

Note 40

Disclosure in respect of lease:

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for a period of 1st Nov-2014 to 31st Oct 2019 years and may be renewed for a further period of 2 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 8 to 10 % every year.

| | (Amount in ₹) | |
|--|------------------|------------------|
| Future minimum lease payments | 2017 | 2016 |
| Not later than one year | 2,246,470 | 2,170,900 |
| Later than one year and not than five years. | 3,779,790 | 6,026,260 |
| Later than five years. | - | - |
| Total | 6,026,260 | 8,197,160 |

Lease payments of ₹ 2,170,900 (2016: 2,040,000) recognized in the Statement of Profit and Loss.

Note 41

Additional Information, as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary

| Particulars | % of Holding | Net Assets, i.e. Total Assets minus Total Liabilities | Share in Profit or Loss |
|----------------------------------|--------------|---|-------------------------|
| E-Class Education System Limited | 100 | 46,065,633 4.71% | (15,361,839) 26.29% |

Note 42

On 14th November 2014, the Board of Directors announced a plan to permanently close down Nagpur Paper Unit subject to the completion of necessary formalities. This is not a separate segment as per AS 17, "Segment Reporting." The disposal is consistent with the Company's long-Term strategy to focus its activities at Palghar unit. The Company is actively seeking a

buyer for the plant & machineries and other fixed assets at Nagpur unit and hopes to complete the sale by the end of March 2018. At 31 March 2017, the carrying amount of the assets of the Nagpur unit was ₹ 4094.39 Lakhs (previous year ₹ 3107.03 lakhs) and its liabilities were ₹ 385.18 lakhs (previous year ₹ 415.52 lakhs). In the opinion of the Board of Directors, the assets have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

(Amount in ₹)

| Particulars | For the Year Ended on 31-03-2017 | For the Year Ended on 31-03-2016 |
|--|----------------------------------|----------------------------------|
| Revenue | - | 380,230 |
| Expenditure | 10,129,812 | 23,265,338 |
| Loss on sale of Asset | - | (5,074,739) |
| Profit Before Tax | (9,615,770) | (27,959,847) |
| Profit After Tax | (9,699,195) | (27,959,847) |
| Total Assets | 409,438,594 | 410,538,488 |
| Total Liabilities | 38,517,534 | 41,552,653 |
| Cash flow(used in)/from Operating Activities | 734,078 | (2,025,964) |
| Cash flow(used in)/from Investing Activities | 2,724,716 | 2,125,000 |
| Cash flow(used in)/from Financing Activities | 2,064,441 | (1,998) |

Note 43

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

The aforesaid disclosure is as follows: (Amount in ₹)

| Particulars | SBN * | Other denomination notes | Total |
|--|-----------|--------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | 5,200,000 | 466,097 | 3,666,097 |
| (+) Permitted receipts | - | 3,595,353 | 3,595,353 |
| (-) Permitted payments | - | 2,815,336 | 2,815,336 |
| (-) Amount deposited in banks | 5,200,000 | - | 5,200,000 |
| Closing cash in hand as on 30.12.2016 | - | 1,253,060 | 1,253,060 |

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 44

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For

Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration
No. W100100

**For and on behalf of the
Board and Directors**

CA. Shailesh Bhuta
Partner
Membership
No. 033958

Amrut P. Shah
*Chairman &
Managing Director*

Shantilal P. Shah
Whole-time Director

Mumbai,
23rd May, 2017

Rajesh B. Jain
Chief Financial Officer

Bhavesh Chheda
Company Secretary

Form No. MGT-11
Proxy form

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

| | |
|----------------------|--|
| CIN: | L21098MH1995PLC086337 |
| Name of the company: | SUNDARAM MULTI PAP LIMITED |
| Registered office: | 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai: 400093, Maharashtra, INDIA W: www.sundaramgroups.in E: info@sundaramgroups.in, Tel: 022 6760 2200 Fax: 022 6760 2244 |

| |
|--|
| Name of the member(s): Registered address: Email Id: Folio No./Client Id: DP ID: |
|--|

I/We, being the member (s) holding shares of the above named company, hereby appoint

| | | |
|----|------------|--|
| 1. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the Friday, September 15, 2017 at 10.30 a.m. at Chatwani Baug Hall, 1st Floor, 7, Gokhle Road, Near Vile Parle Station, Vile Parle East, Mumbai: 400057, Maharashtra, INDIA or at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description of Resolution | Type of Resolution | Optional | |
|----------------|--|---------------------|----------|---------|
| | | | For | Against |
| 1 | To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon. | Ordinary Resolution | | |
| 2 | To appoint a Director in place of Mr. Shantilal P. Shah (DIN: 00033182), who retires by rotation and being eligible has offered himself for re-appointment. | Ordinary Resolution | | |

| | | | | |
|----|--|---------------------|--|--|
| 3 | To reappoint M/s Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 101474W/ W100100) as Statutory Auditors of the Company, and to fix their remuneration. | Ordinary Resolution | | |
| 4 | To give prior approval for the Material Related Party transactions for the period from October 01, 2017 to September 30, 2022. | Ordinary Resolution | | |
| 5 | To re-appoint Mr. Amrut P. Shah (DIN: 00033120) as the Managing Director. | Special Resolution | | |
| 6 | To re-appoint Mr. Shantilal P. Shah (DIN: 00033182) as the Whole-time Director. | Special Resolution | | |
| 7 | To approve the revision in the remuneration of Mr. Amrut P. Shah (DIN: 00033120) Managing Director. | Special Resolution | | |
| 8 | To approve the revision in the remuneration of Mr. Shantilal P. Shah (DIN: 00033182) Whole-time Director | Special Resolution | | |
| 9 | To regularize the appointment of Mr. Krunal S. Shah (DIN: 07877986) as the Whole-time Director of the Company. | Special Resolution | | |
| 10 | To approve the Increase in authorized share capital of the company and consequent alteration to the capital clause in the Memorandum of Association | Ordinary Resolution | | |
| 11 | To consider the issue of Securities | Special Resolution | | |

Signed this.....day of..... 2017

Signature of shareholder

Signature of Proxy holder (s)

Affix ₹ 1/-
Revenue
Stamp

Note:

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

2. It is optional to put a "X" in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Please complete all details of Member(s) in the above box before submission.

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

SUNDARAM MULTI PAP LIMITED

CIN: L21098MH1995PLC086337

R.O.: 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai: 400093, Maharashtra, INDIA W:

www.sundaramgroups.in E: info@sundaramgroups.in

Tel: 022 6760 2200 Fax: 022 6760 2244

ATTENDANCE SLIP23rd Annual General Meeting – September 15, 2017

| | |
|--|--|
| DP ID- Client ID/ Folio No. | |
| Name & Address of Sole Member | |
| Name of Joint Holder(s) | |
| No. of Shares Held | |

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

I hereby record my presence at the 23rd Annual General Meeting of the Company held at Chatwani Baug, 1st Floor, 7, Gokhale Road, Near Vile Parle Station, Vile Parle (East), Mumbai: 400057 at 10.30 a.m. on September 15, 2017.

Member/Proxy's Signature

-----Cut Here-----

ELECTRONIC VOTING PARTICULARS

| | | |
|---|----------------|-----------------------|
| EVSN (Electronic Voting Sequence Number) | User ID | (PAN/Seq. No.) |
| | | |

NOTE: Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of the Annual General Meeting. The voting time starts from September 12, 2017 at 11.00 a.m. and ends on September 14, 2017 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.



Notes



Notes



Books for Success...



Digital Education

Sundaram Multi Pap Limited

Registered Office.: 5/6, Papa Industrial Estate, Suren Road,
Andheri East, Mumbai: 400093, Maharashtra, India.

T: (91-22) 67602200 F: (91-22) 67602244

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