



THE WEST COAST PAPER MILLS LTD.,

Registered & Works Office : Post Box No. 5, Bangur Nagar, Dandeli-581 325

Dist. Uttara Kannada (Karnataka) - India

CORPORATE IDENTITY NO : L02101KA1955PLC001936 website : www.westcoastpaper.com

Ph : (08284) 231391 - 395 (5 lines) Fax : 08284 - 231225 Admn. Office- 230443 - Works Office:



ISO 9001 ISO 14001
OHSAS 18001

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September 12, 2016

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

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

Scrip Code : 500444

Scrip Code : WSTCSTPAPR

Dear Sirs,

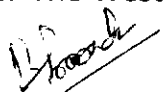
Sub : Annual Report - FY 2015-16

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we enclose herewith Annual Report of the Company for the FY 2015-16.

Please take the same on record.

Thanking you,

Yours faithfully,
For The West Coast Paper Mills Ltd.


Brajmohan Prasad
Company Secretary
M.No.7492

Encl.a.a



Corporate Office : 31, Chowringhee Road, Kolkata - 700 016

Phone : (033) 2265 6271-78 (8 lines) Fax : (033) 2226 0240

E-mail : Admin.sale@westcoastpaper.com

Paper PERFECT



The West Coast Paper Mills Limited

ANNUAL REPORT

2015-16

FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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This annual report is available online at www.westcoastpaper.com

Corporate Information

BOARD OF DIRECTORS

Shri S. K. Bangur, Chairman & Managing Director
 Shri Saurabh Bangur, Vice Chairman
 Smt. Shashi Devi Bangur
 Shri P. N. Kapadia
 Lt. Gen. [Retd.] Utpal Bhattacharyya
 Shri Krishna Kumar Karwa
 Shri M. P. Taparia
 Shri Amitav Kothari
 Shri Rajendra Jain, Executive Director

MANAGEMENT TEAM

Paper and Duplex Board Division

Shri B. H. Rath, President (Technical)
 Shri B. K. Bhuyan, Senior Vice-President (Operations)
 Shri S. N. Patil, Vice-President (Human Resource)
 Shri Vimal Arora, Vice-President (Finance & Accounts)
 Shri P. C. Maloo, Vice-President (Marketing)

Telecom Cable Division

Shri V. Bangur, Chief Executive Officer
 Shri Raghu Nair, Vice President (Works)

COMPANY SECRETARY

Shri Brajmohan Prasad (w.e.f. 22.07.2016)

BANKERS

Central Bank of India
 State Bank of Mysore
 Syndicate Bank
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 Standard Chartered Bank
 Axis Bank Ltd.

STATUTORY AUDITORS

Batliboi & Purohit, Mumbai

COST AUDITORS

Shri Umesh N. Kini, Sirsi

SECRETARIAL AUDITOR

Shri Srikant R. Gudi, Bangalore

INTERNAL AUDITOR

Shri Rajesh Bothra
 Head-Finance

LEGAL ADVISORS

Khaitan & Co., Mumbai

REGISTERED OFFICE

Bangur Nagar, Dandeli - 581 325
 District. Uttar Kannada, Karnataka
 Phone : (08284) 231 391-395
 Fax : (08284) 231 225
 E-mail : co.sec@westcoastpaper.com

CORPORATE OFFICE & EAST ZONE

31, Chowringhee Road, Kolkata - 700 016
 (Park street crossing)
 Phone : (033) 2265 6271 (8 Lines)
 Fax : (033) 2226 5242
 E-mail : wcpm.east@westcoastpaper.com

ZONAL OFFICES

North Zone

Vishnu Bhavan, 1st Floor, 5 Ansari Road
 Daryaganj, New Delhi - 110 002
 Phone : (011) 2326 9806, 2327 3679, 2324 6254
 Fax : (011) 2328 4913
 E-mail : wcpm.north@westcoastpaper.com

West Zone

Shreeniwas House, H. Somani Marg, Fort, Mumbai - 400 001
 Phone : (022) 2207 0041-44
 Fax : (022) 2207 0001
 E-mail : wcpm.west@westcoastpaper.com

South Zone - 1

Flat No.7, 12/13, Kanakasri Nagar
 St. George Cathedral Lane
 Off Cathedral Road, Chennai - 600 086
 Phone : (044) 2811 1654/299, 4235 9709
 Fax : (044) 2811 7013
 E-mail : wcpm.south@westcoastpaper.com

South Zone - 2

Chandra Kiran, 4th Floor, 10/A Kasturba Road
 Bangalore - 560 001
 Phone : (080) 2223 1828-1837, 4112 0001-0006
 Fax : (080) 2223 1838, 2224 1916
 E-mail : wcpm.marketing1@westcoastpaper.com

South Zone -3

2-2-51/119, 3rd Floor (302,303),
 Mittal Chambers, M.G. Road,
 Secunderabad - 500 003,
 Cell : 7893594012,
 Land No. 040 - 40276854,
 E-mail : ssrao@westcoastpaper.com

TELECOM CABLE DIVISION

West Coast Optilinks (Sudarshan Telecom)

Plot No. 386/387, KIADB, Electronic City
 Hebbal Industrial Area, Mysore - 570 016
 Phone : (0821) 240 4060, Fax : (0821) 240 4061
 E-mail : npandey@sudarshantelecom.com

Ten Year Highlights

		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
PRODUCTION											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	3,06,960	3,00,514	3,10,002	3,17,808	3,08,230	2,67,005	1,73,638	1,73,682	1,69,891	1,78,871
OPTICAL FIBRE CABLE	Km	42,989	30,438	20,686	20,242	20,184	27,951	18,003	16,787	22,829	7,060
JFTC	CKm	–	–	–	–	–	78	–	–	–	1,65,407
CONTROL CABLE	CKm	–	–	–	–	341	251	14	–	–	–
SALES											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	3,15,146	3,02,978	2,98,682	3,21,018	3,05,818	2,67,992	1,75,194	1,70,686	1,70,193	1,79,915
OPTICAL FIBRE CABLE	Km	40,545	30,368	21,053	20,161	20,308	27,985	17,790	16,762	22,836	7,105
JFTC	CKm	–	–	–	–	–	78	–	–	119	1,65,288
CONTROL CABLE	CKm	–	–	–	–	337	248	14	–	–	–
OPERATING RESULTS											
TURNOVER	₹/Lakhs	1,79,953	1,74,715	1,65,483	1,54,125	1,36,620	1,10,887	65,050	66,271	65,352	61,944
PBDT	₹/Lakhs	18,927	17,853	14,114	20,084	15,866	18,919	10,524	12,036	11,438	9,552
DEPRECIATION	₹/Lakhs	11,081	12,220	12,719	17,629	20,535	9,610	2,377	1,990	2,043	2,098
EXCEPTIONAL ITEMS	₹/Lakhs	5,324	5,160	–	–	–	–	–	–	–	–
TAXATION	₹/Lakhs	598	–	166	372	–	1,900	1,400	1,149	1,095	862
MAT CREDIT ENTITLEMENT	₹/Lakhs	(598)	–	(154)	(335)	–	(1,809)	(1,370)	–	–	–
DEFERRED TAX	₹/Lakhs	1,637	362	720	607	(1,314)	210	2,647	(157)	110	(54)
NET PROFIT/(LOSS)	₹/Lakhs	885	111	663	1,811	(3,356)	9,008	5,470	9,054	8,190	6,646
DIVIDEND	₹/Lakhs	660	–	660	660	206	1,807	1,807	1,258	1,721	1,341
FINANCIAL POSITION											
GROSS BLOCK	₹/Lakhs	2,10,374	2,07,934	2,05,632	2,01,596	1,98,706	1,85,045	1,86,542	1,61,798	80,141	48,467
DEPRECIATION	₹/Lakhs	1,04,040	93,035	80,866	69,565	52,570	32,205	31,290	29,112	27,022	25,309
NET BLOCK	₹/Lakhs	1,06,334	1,14,899	1,24,766	1,32,031	1,46,136	1,52,840	1,55,252	1,32,686	53,119	23,158
PAID UP CAPITAL	₹/Lakhs	1,321	1,321	1,321	1,321	1,255	7,755	7,755	7,708	1,425	894
RESERVES & SURPLUS	₹/Lakhs	58,547	58,456	58,345	58,455	55,698	59,293	52,378	49,070	38,771	22,324
NET WORTH	₹/Lakhs	59,868	59,777	59,666	59,776	56,953	67,048	60,133	56,778	40,196	23,218
BORROWINGS	₹/Lakhs	74,393	91,042	1,06,608	1,08,063	1,26,365	1,21,246	1,23,471	1,17,365	40,616	17,407
CAPITAL EMPLOYED	₹/Lakhs	1,34,261	1,50,819	1,66,274	1,67,839	1,83,318	1,88,294	1,83,604	1,74,143	80,812	40,625
SOME SELECTED RATIOS											
EARNINGS PER SHARE (₹ 2) (BASIC) ₹	₹	1.34	0.17	1	9	4	14	9	16	17	15
BOOK VALUE PER SHARE	₹	91	91	90	91	91	107	96	94	70	52
DIVIDEND [EQUITY SHARES]	%	50	–	50	50	10	100	100	100	150	150
DEBT EQUITY RATIO		55:45	60:40	64:36	64:36	69:31	64:36	67:33	67:33	50:50	43:57

Management Discussion & Analysis

A. INDUSTRY STRUCTURE & DEVELOPMENTS

PAPER DIVISION :

Over the period 2010-14, Paper and Paperboard production increased from 394 million tonnes to 399 million tonnes.

Global :

Over the period 2010-14, Paper and Paperboard production increased from 394 million tonnes to 399 million tonnes. This growth was mainly due to 8 % rise in production in the Asia-Pacific region and at the same time there was decline in production of 5% in Northern America. In 2014, the regional distribution of production was – Asia-Pacific 187 million tonnes (47%), Europe 105 million tonnes (26%), Northern America 84 million tonnes (21%), Latin America and Caribbean 20 million tonnes (5%) and Africa 4 million tonnes (1%). The two largest Paper and Paperboard producers were China (109 million tonnes) and USA (72 million tonnes). Their combined production accounted for 45% of global production. The other three largest producers were Japan (26 million tonnes), Germany (23 million tonnes) and South Korea (12 million tonnes) which accounted for another 15% of global production.

India :

From just 17 mills in 1951 with a capacity of 0.14 million tonnes, the Paper Industry in India has grown to 825 mills with a capacity of 15 million tonnes. While the Paper Industry comprises a number of small scale mills, relatively large mills continue

to contribute to a sizable share of total production. Out of total Paper Mills, about 80 units accounts for production share of about 60% and balance units mostly comprising of small Paper Mills with production share of 40%. Wood based Industry accounts for 31% of production while waste paper and agri residue accounts for 47% & 22% respectively. Capacity-wise Industrial Paper accounts for about 40%, Printing & Writing Paper 35%, Speciality Paper 6% and Newsprint 19% of total production.



From just 17 mills in 1951 with a capacity of 0.14 million tonnes, the Paper Industry in India has grown to 825 mills with a capacity of 15 million tonnes.

Management Discussion & Analysis (Contd.)

The Indian Paper Industry is an integral part of the Nation's economy and contributes to its growth and development. It is in this spirit that the Indian Paper Industry has continued to upgrade its capacities and technologies, in spite of huge challenges like shortage of raw material, highly capital intensive nature of the industry, threat of cheaper imports from ASEAN countries etc., from a situation where most paper mills were relatively small and with old technologies, now a stage has reached where almost all major Paper Mills have adopted World Class Technologies and are fast progressing towards World Scale of Operations as well.

The Indian Paper Industry currently has a turnover (net of taxes) of over ₹ 55,000 crores and contributes over ₹ 5,500 crores p.a. to the national exchequer. Even more importantly it is providing employment opportunities to over 1.50 million people, directly and indirectly, mostly in rural areas.

Installed capacity of paper mills is 15 million tonnes with average utilization of 85%. The domestic demand for all varieties of paper in India is estimated

at around 13.5 million tonnes in 2014-15 which is 3% of global demand of 400 million tonnes even though population of 121 crores as per 2011 census is 17% of World population. Of this, Writing & Printing Paper accounts for approx. 4.20 million tonnes, Packaging grades for approx. 6.20 million tonnes and Newsprint about 2.50 million tonnes apart from Speciality grade about 0.60 million tonnes.

Even though our domestic paper consumption has been growing steadily, per capita consumption in India continues to be low by global standards. In 2003, it was just 5 kg and now it is still only 10 kg per capita, which is abysmally low when compared to even highly populated and developing economies & World average of 58 kg and per capita consumption in China, Malaysia & Indonesia at 42 kg, 25 kg and 22 kg respectively.

Production growth has lagged the increase in demand for paper, necessitating reliance to an extent on imports, especially in the Newsprint segment. There was an import of ₹ 12,350 crores in the year 2014-15 as compared to ₹ 11,380 crores in the

year 2013-14. Import in volume term is increasing with a 4 year CAGR of 7.08% and in terms of Indian Rupees, same is at 14.64% CAGR.

We feel that given India's projected GDP growth, the renewed thrust on universal education through Sarva Shiksha Abhiyan and Right to Education and the consequent changes in lifestyle, paper demand is expected to gradually move to about 20 million tonnes by 2024-25 in our country

Industry has upgraded process technologies, installed most modern fiber lines and high-speed paper machines with shoe press to boost the production, conserve energy & water and improve financial performance. Many mills have adopted extended delignification processes, Elemental



Industry has upgraded process technologies, installed most modern fiber lines and high-speed paper machines.

Management Discussion & Analysis (Contd.)

Chlorine Free bleaching to modernize the fiber lines. In the area of paper making, adopted alkaline sizing, replacing clay & chalk with Grounded Calcium Carbonate & Precipitated Calcium Carbonate fillers and increase the ash content in paper to reduce usage of fiber. Industry has progressed in spite of challenges, improved environmental performance in terms of reduction of effluent volumes, reduction in terms of usage of steam, power, AOX reduction.

Excise Duty on Paper and Paperboard has been increased from 5% to 6% with effect from 17.3.2012 and there is no change in subsequent Union Budgets.

The availability of raw-material has always been a matter of concern for the Industry and has been requesting the Government to allot degraded revenue and forest lands so that not only the requirement of raw-material would be met but also employment for rural unskilled population is generated. However, the government has not considered the request. Nevertheless, the Industry in general has taken initiatives by taking up Farm / Social Forestry programme whereby plantation is taken in a big way on the unproductive revenue land and thus generating not only income to the farmers but also providing employment to the rural unskilled population.

The Company has also focused on social forestry and has so far cultivated more than 45,000 acres of land within a radius of 250-300 kms so as to enhance availability of wood. The Company is also distributing seedlings to the farmers at concessional rates so that plantations are taken up by them without any commitment for its supply

to the Company. This will increase the overall availability of raw material for the Industry.

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

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

In order to meet shortfall in locally wood availability, the Company decided to import wood chips from 2013 with first shipment arrived at Goa Port in June, 2013. The Company imported 4.20 lakh GMT in 2014-15 and 5.75 lakh GMT in 2015-16 and has an edge over other mills due to proximity to the port.

The Central Government in its Union Budget 2016 has made NIL custom duty

on import of wood chips bringing some relief to wood based Paper Industry.

CABLE DIVISION:

There are 17 OFC manufacturers having a total capacity of more than 1.5 million cable km. 3 more companies are also planning to enter into the segment.

Looking at the upcoming demand and competition, Cable Division has also augmented the facility with new Colouring, Secondary and Stranding machines and equipping with the new state-of-art Optical testing machines. Further, we have started manufacturing of FRP and Glass Roving in the same plant as a backward integration.



The Company has also focused on social forestry and has so far cultivated more than 45,000 acres of land within a radius of 250-300 kms so as to enhance availability of wood.

Management Discussion & Analysis (Contd.)

B. OPPORTUNITIES AND THREATS

PAPER DIVISION:

The tele-density registered a CAGR of 23% from 2007 to 2014 and is expected to reach 100% by 2020 as per TRAI guidelines.

The low per capita consumption of Paper & Paperboard in the country is bound to increase the consumption of paper with the growth in the GDP. Several factors like Government's increased focus on education sector, increased corporate activity and lifestyle changes, increased demand for packaging, growing affluence of the population, ban on plastic packaging etc., are expected to contribute to increase in the demand for Paper & Paperboard in India.

From the demand point of view, as against present per capita consumption of 10 kg, every one kg incremental per capita consumption results in additional demand of more than one million ton a year. This indicates there is a lot of scope for growth of paper demand in India.

Import duty on Paper & Paperboard for ASEAN countries has been reduced from 2.50% to 0% with effect from 01.01.2014 vide notification No.57/2013 dated 31.12.2013 which had implications in terms of cheaper imports being of 2.35 million tonnes in 2014-15 as against 2.25 million tonnes in 2013-14. The trend is expected to increase further looking to gap between demand and domestic supply and the availability of cheaper imported paper.

CABLE DIVISION:

According to "India Optical Fiber Cables Market Forecast & Opportunities, 2020", optical fiber cables market in India is expected to surpass US\$ 424 million by 2020. Nationwide connectivity projects launched by the Government such as National Optical Fiber Network (NOFN) and National Fibre Spectrum (NFS), National Knowledge Network (NKN) and

the anticipated 4G Rollout in the country are bound to boost data transmission volumes, thereby making expansion of OFC installations critical for supporting the planned network expansions. In addition, next generation technologies such as LTE and FTTx, which require last mile connectivity, would also propel the demand for optical fiber cables in the coming years.



Optical fiber cables market in India is expected to surpass US\$ 424 million by 2020.

Management Discussion & Analysis (Contd.)

C. SEGMENT-WISE PERFORMANCE

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

D. OUTLOOK

PAPER DIVISION:

The Paper Industry is cyclical in nature and its performance depends on the global pulp and paper demand supply situation which is not encouraging at present. The Industry is witnessing slowdown in demand from December, 2013 but with intermittent season demand. However, the Company has well-diversified product base which partially insulates it from the cyclical impact. Given the growth potential, outlook of Paper Industry is promising in long run.

India is the fastest growing Paper market in the world with CAGR of 6 to 6.5% in next 5 years due to thrust on education, rise in organized retail, urbanization and growth in economy.

CABLE DIVISION:

India optical fiber cables (OFC) market is expected to grow robustly due to expansion of telecom infrastructure throughout the country over the next five years. Being the second largest telecom market worldwide, India exhibits high data traffic owing to increasing penetration of smart phones and growing demand for broadband services, thereby creating significant demand for OFC installations. Consumers are increasingly shifting towards internet driven applications

like HDTV, video on demand and high-speed file sharing. To address the soaring demand for high speed data transmission, the Government of India along with telecom giants is investing substantial capital in upgrading the country's telecom infrastructure. The existing network of copper cables is being over hauled by using advanced fiber optic technology. All these factors are consequently providing a considerable thrust to the OFC market in India.

E. RISKS AND CONCERNS

The Company has derived 94% of its revenue from Paper/ Paperboard and Duplex Board business and 6% from Cable business in 2015-16. Not only the availability of conventional raw-material is a matter of concern but also increasing rates of wood due to competition among the Paper Mills per se and other user industries.

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

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

However, in near future the norms for specific water consumption and thereby treated waste water are likely to be strengthened by the concerned authorities. To achieve the norms of specific water consumption, we need to take up projects in water conservation and reuse of water in the process keeping the effluent parameters in control and this requires huge capital investment to achieve. In addition to this the specific power consumption norms as per PAT – cycle – 2 (for 3 years) from 2016-2019 are also made very stringent. This is a cause of concern. Although efforts are being put to achieve the norms.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Management Discussion & Analysis (Contd.)

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended March 31, 2016, the Company has sound IFC commensurate with the nature and size of its business operations and is operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This has been dealt with in the Directors' Report.

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

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

The Company engaged M/s Andhra Pradesh Productivity Council (APPC), Hyderabad for conducting the manpower and workload study. Based on that joint discussion were held with JNC and revised agreed strength of workmen finalized.

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

The Company employs 2379 people as on 31.3.2016 as against 2,398 people employed as on 31.3.2015.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on

certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



Directors' Report

Your Directors are pleased to present the 61st Annual Report of the Company, together with the audited accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Amount in ₹ Lakhs)

	2015-16	2014-15
Profit Before Finance Costs and Depreciation (PBITD)	26048.49	24837.83
Balance brought forward	172.02	60.52
	26220.51	24898.35
ALLOCATIONS :		
Finance Cost	7121.10	6984.88
Depreciation	11081.12	12220.09
Exceptional items	5323.75	5159.50
Taxation - Current	597.94	—
- MAT Credit Entitlement	(597.94)	—
- Deferred	1636.92	361.86
Proposed Dividend	660.49	—
Tax on Dividend	134.46	—
Balance carried forward	262.67	172.02
	26220.51	24898.35

DIVIDEND :

Your directors recommend a dividend of ₹ 1/- per equity share (50%) on 6,60,48,908 Equity Shares of ₹ 2/- each, subject to approval of shareholders at the Annual General Meeting of the Company.

PERFORMANCE :

The performance of the Company during the year under review has been satisfactory compared to previous year. This working is mainly due to increase in production and sales of Paper and Paperboard inspite of stagnancy in sales price. The wood cost has marginally increased, whereas imported coal, furnace oil prices have come down and also reduction in other input costs. Employee wage bill has also increased mainly due to impact of long term wage settlement.

The Company is continuously focusing on improving operating efficiencies and minimizing cost for better financial performance.

The Company posted gross profit of ₹ 136.03 Crores (after considering Exceptional Items of ₹ 53.24 Crores) as against ₹ 126.93 Crores in the previous year (after considering Exceptional Items of ₹ 51.60 Crores) - higher by ₹ 9.10 Crores (7%) whereas there was a net profit of ₹ 8.86 Crores as against ₹ 1.11 Crores in the previous year.

DIVISION WISE PERFORMANCE :

Paper and Paperboard Division, Dandeli

The production of Paper, Paperboard and Hardwood Pulp was 3,06,960 MT (96% capacity utilization) during the year against 3,00,514 MT in the last year (94% capacity utilization) i.e., higher by 6,446 MT. The sale of Paper, Paperboard and Hardwood Pulp was 3,15,146 MT during the year against 3,02,978 MT in the last year i.e., higher by 12,168 MT. The turnover during the year was ₹ 1,713.36 Crores as against ₹ 1,643.68 Crores in the last year (both inclusive of excise duty), i.e., higher by ₹ 69.68 Crores, due to higher sales quantity.

Directors' Report (Contd.)

Cable Division, Mysore

The production of Optical Fibre Cable was 42,989 kms during the year against 30,438 kms in last year, thereby higher production by 12,551 kms. The sale of Optical Fibre Cable was 40,545 kms during the year as against 30,368 kms in last year. The turnover was ₹ 85.95 Crores during the year as against ₹ 103.16 Crores in the last year (both inclusive of excise duty) i.e., lower by ₹ 17.21 Crores.

EXPORTS :

Export of Paper, Paperboard and Duplex Board during the year was 6,182 MT worth ₹ 32.44 Crores (FOB) as against 5,348 MT worth ₹ 28.12 Crores in last year. Similarly 735 kms of cable worth ₹ 0.76 Crores was exported as compared to 733 kms of cable worth ₹ 0.52 Crores in the last year.

RAW MATERIALS :

In order to meet out the shortfall of wood availability locally, company is continuing usage of imported woodchips during the year under review. Company consumed 4.98 lac MT of wood chips i.e., 61% of total wood consumption. Now use of imported woodchips is well absorbed in production process and company is getting direct and indirect advantage. Company has entered into long term contract for the supply of imported woodchips for the year 2015-16. During the current year, company will get benefit of "NIL" customs duty on import of wood chips from 1st March 2016.

In order to create adequate capacity to ensure long term availability of raw material, the Company has focused on Captive Plantation Project and on social forestry and cultivated farms on more than 45,000 acres of land so far within a radius of 250-300 km so as to enhance the availability of pulpwood. The company is also distributing seedlings to the farmers at concessional rates so that plantations are taken up by them without any commitment for its supply to the company. This will increase the overall availability of raw material for the industry.

EXCHANGE RATE VARIATION :

The Company has reinstated Foreign Currency Loans/External Commercial Borrowings of USD 16.47 Million at the exchange rate prevailing as on 31st March 2016 and the exchange rate difference of ₹ 43.30 Crores has been added to the cost of Fixed Assets, as per Accounting Standard AS-11 issued vide Notification No. G.S.R. 225(E) dated 31.03.2009 (as last amended vide Notification No GSR 913 (E) dated 29.12.2011) by the Ministry of Corporate Affairs.

RISK MANAGEMENT POLICY :

The Board of Directors had adopted risk policy for Forex exposure in the meeting held on 28.06.2004. The foreign exchange exposure of the Company is reviewed from time to time by the Board. The Company has taken Operational Large Risk Insurance Policy to insure its fixed assets and inputs which cover known and unknown risk including Fire, Loss of Profit.

RELATED PARTY DISCLOSURE AND TRANSACTIONS :

The details of related party disclosure and transactions as prescribed in Form AOC-2 are given in the Note No.2.29 of Notes on Financial Statements. All the transactions are done at arms length and pertain to FY 2015-16 period only and as per policy approved in the Board Meeting held on 13.05.2014.

EXTRACT OF THE ANNUAL RETURN :

Extract of the Annual Return in the Form No. MGT 9 is attached and forms a part of this report.

CORPORATE SOCIAL RESPONSIBILITY :

The Company has framed a Corporate Social Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013. Pursuant to rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual report on CSR in the prescribed format is attached and forms a part of this report & policy may be accessed on the Company's website.

CSR committee recommended ₹ 29.00 lacs as CSR Budget for the year. The Company took all possible initiatives to ensure that the above amount is spent on CSR in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder. However, due to project mode of CSR activity, where the project time extends beyond the financial year, the Company could spend ₹ 12.49 lacs on CSR. Balance amount will be carried forward to the next year and spend the same.

MEETINGS OF THE BOARD :

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 is annexed hereto and forms a part of this Report.

Criteria for performance evaluation of Independent Directors' as required by the Listing Agreements and SEBI (Listing Obligations of Disclosure Requirements) Regulations, 2015 also forms part of this Report.

MANAGERIAL REMUNERATION :

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

Directors' Report (Contd.)

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

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

PARTICULARS OF EMPLOYEES :

The particulars of employees, as required under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in a separate Annexure to this Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS :

A comprehensive Management's Discussion and Analysis Report, forming a part of the Corporate Governance is carried elsewhere in this Annual Report.

CORPORATE GOVERNANCE :

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

DIRECTORS :

During the year under review, the members approved the appointment of Shri Saurabh Bangur as a non Independent Director who is liable to retire by rotation and Shri M. P. Taparia, Lt. Gen. (Retd.) Utpal Bhattacharyya and Shri Krishna Kumar Karwa as Independent Directors who are not liable to retire by rotation.

As per the provisions of the Companies Act, 2013, Smt. Shashi Devi Bangur will retire from the office by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Pursuant to Section 152 of the Companies Act, 2013, Shri Amitav Kothari and Shri P. N. Kapadia have been appointed as Independent Directors for a period of 3

years at the meeting of the Board of Directors held on 12.02.2016 and 30.05.2016 respectively, subject to approval of Members at the ensuing Annual General Meeting.

Shri Rajendra Jain has been appointed as Director (Operations) with effect from 31.07.2015 and redesignated as Executive Director and also Chief Financial Officer with effect from 01.12.2015 by the Board of Directors for a period of 3 years. His appointment requires approval of the Shareholders as per Schedule V Part III of the Companies Act, 2013. He will retire by rotation.

Shri S. K. Bangur has been reappointed as Chairman & Managing Director with effect from 01.05.2016 by Board of Directors in their meeting held on 12.02.2016 for a period of 5 years. His appointment requires approval of the Shareholders as per Schedule V Part III of the Companies Act, 2013. He is not liable to retire by rotation.

The notice convening the AGM includes the proposal for appointment / reappointment of Directors.

Shri K. L. Chandak, Executive Director retired from the services of the Company on 30.11.2015. The Directors place on record their highest sense of appreciation for 44 years long and exemplary services rendered to the company.

COMPANY SECRETARY :

During the year Shri P. K. Mundra, Company Secretary of the Company, resigned from the services of the Company with effect from 10.12.2015. Company is already in the process of filling up the vacancy and expect to fill the same shortly.

DECLARATION BY DIRECTORS :

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

REPORTING OF FRAUDS :

The auditors of the company have not reported any fraud as specified under the 2nd proviso to section 143(12) of the Companies Act, 2013.

AUDITORS :

a. Statutory Auditors and their Report

Messrs Batliboi & Purohit, Chartered Accountants, Mumbai will retire at the end of the 61st Annual General Meeting of the Company and offer themselves for re-appointment for the ensuing year. Accordingly matter relating to the appointment will be placed in next Annual General Meeting. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

Directors' Report (Contd.)

b. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Mr. Srikant R Gudi, Bangalore practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2015-16. The Report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report.

c. Cost Auditor and Cost Audit Report

Pursuant to revised order of the Central Government dated 31.12.2014 Cost Audit of the Cost Records of the Company is mandatory from the financial year starting 1st April 2015 and Shri Umesh N. Kini, Sirsi, Cost Accountant has been appointed as Cost Auditor of the Company to conduct cost audit of cost records for the financial year 2015-16. Board have approved for their continuation for the financial year 2016-17. Accordingly matter relating to the appointment and remuneration will be placed in next Annual General Meeting.

INTERNAL CONTROL SYSTEM :

There are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inputs, availing of services, fixed assets, for the sale of goods and providing of services. Full fledged Internal Audit department carries out pre and post audit of all significant transactions throughout the year. Based on the Annual Internal Audit programme as approved by Audit Committee of Board,

regular internal audits are conducted. Findings are placed before Audit Committee, which reviews and discuss the actions taken with the Management.

SHREE RAMA NEWSPRINT LTD (SRNL) :

The Company had entered into Share Purchase Agreement with Riddhi Siddhi Gluco Biols Ltd., ("Acquirer") on 21.05.2015 for sale of its Long Term Investments of 2,11,24,791 equity shares of Shree Rama Newsprint Ltd., for ₹ 0.75 lacs against book value of ₹ 4540.86 lacs subject to release of Corporate Guarantee of ₹ 24625.00 lacs given to various banks by the Company and the Acquirer complying with the requirements of the Open Offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any other statutory approval.

The transaction was completed on 26.08.2015 and accordingly loss of ₹ 4540.11 lacs has been accounted in the current financial year.

INDUSTRIAL RELATIONS :

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

ACKNOWLEDGEMENT :

Your Directors would like to thank the Central and State Governments, Banks, Financial Institutions, Customers, Suppliers and Shareholders for their continued support.

For and on behalf of the Board

Place : Mumbai
Dated : 30th May 2016

S. K. Bangur
Chairman & Managing Director

Annexure to Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L02101KA1955PLC001936
- ii) Registration Date : 25.03.1955
- iii) Name of the company : The West Coast Paper Mills Limited
- iv) Category/Sub-Category of the Company : Public Limited
- v) Address of the Registered office and contact details : Bangur Nagar
Dandeli - 581 325, Karnataka
Telephone : (08284) 231391 to 395 (5 Lines)
Fax No. : (08284) 231225
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any. : Link Intime India Pvt. Ltd.,
C-13, Kantilal Maganlal Estate
Pannalal Silk Mills Compound
LBS Road, Bhandup (W)
Mumbai - 400 078
Phone : (022) 2596 3838; Fax : (022) 2596 2691
E-mail: rnthelpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Paper & paperboard	170	94.94
2.	Optical Fibre Cable	273	4.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	Fort Gloster Industries Ltd. (FGI)	L17232WB1890PLC000627	Associate	33.05	2(6)
2.	Speciality Coatings and Laminations Ltd.	U74899DL1993PLC052430	Associate	37.33	2(6)

Note : Shree Rama Newsprint Limited ceases to be Associate Company subsequent to consummation of Share Purchase Agreement on 26.08.2015.

[illegible]

Annexure to Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total shares	
b) Individuals :									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	13965876	1668661	15634537	23.67	12045594	1613361	13658955	20.68	-2.99
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3285355	0	3285355	4.97	2608004	0	2608004	3.95	-1.02
c) Others (specify)									
i) Clearing Member	396754	0	396754	0.60	642080	0	642080	0.97	0.37
ii) Foreign Nationals	12050	0	12050	0.02	12050	0	12050	0.02	0.00
iii) Hindu Undivided Family	0	650	650	-	991943	650	992593	1.50	1.50
iv) NRI	299123	29450	328573	0.50	249816	29450	279266	0.42	-0.08
v) Trusts	2450	0	2450	-	2450	0	2450	-	-
Sub-total(B)(2)	23454404	1720761	25175165	38.11	21184166	1665461	22849627	34.60	-3.51
Total Public Shareholding (B)=(B)(1)+(B)(2)	28002070	1748211	29750281	45.04	27875692	1692911	29568603	44.77	-0.27
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	64300697	1748211	66048908	100	64355997	1692911	66048908	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged/encumbered to total shares	
1.	Shri Shree Kumar Bangur	2576979	3.90	-	2576979	3.90	-	-
2.	Smt. Shashi Devi Bangur	1982507	3.00	-	1982507	3.00	-	-
3.	Shri Saurabh Bangur	1315730	1.99	0.28	1315730	1.99	0.28	-
4.	Shri Virendraa Bangur	969578	1.47	-	987247	1.49	-	0.02
5.	Smt. Kamala Devi Bangur*	249200	0.38	-	-	-	-	-0.38
6.	Smt. Bharti Bangur*	60000	0.09	-	122300	0.19	-	0.09
7.	Master Aaryan Bangur*	-	-	-	62300	0.09	-	0.09
8.	Master Ankit Bangur*	-	-	-	62300	0.09	-	0.09
9.	Master Shrivatsa Bangur*	-	-	-	62300	0.09	-	0.09
10.	Ranganath Shree Kumar	613063	0.93	-	613063	0.93	-	-
11.	Shree Kumar Virendra Kumar	155000	0.24	-	155000	0.24	-	-
12.	Shree Satyanarayan Invesments Co. Ltd.	10312973	15.61	-	10312973	15.61	-	-
13.	Veer Enterprises Ltd.	10597100	16.04	-	10597100	16.04	-	-
14.	Orbit Udyog (P) Ltd.	2293855	3.47	-	2384855	3.61	-	0.14
15.	Saumya Trade & Fiscal Services (P) Ltd.	1998300	3.03	-	2071309	3.14	-	0.11

Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged/encumbered to total shares	
16.	Union Company Ltd.	4450	0.01	—	4450	0.01	—	—
17.	Mothola Company Ltd.	77700	0.11	—	77700	0.11	—	—
18.	The Indra Company Ltd.	15750	0.02	—	15750	0.02	—	—
19.	The Diamond Company Ltd.	1953197	2.96	—	1953197	2.96	—	—
20.	The Thirumbadi Rubber Co. Ltd.#	464200	0.70	—	464200	0.70	—	—
21.	Amrit Villa Investments Ltd.	11500	0.02	—	11500	0.02	—	—
22.	Gold Mohore Investments Co. Ltd.	647545	0.98	—	647545	0.98	—	—
Total		36298627	54.96	0.28	36480305	55.23	0.28	—

* Shares of Late Smt. Kamala Devi Bangur were transferred pursuant to Probate of the will of Late Smt. Kamala Devi Bangur issued by Hon'ble High Court of Calcutta.

Name is changed to Kilkotagiri And Thirumbadi Plantations Ltd., in demat account yet to be changed.

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/Decrease in shareholding	Cumulative Shareholding during the year(01.04.15)/end of the year (31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year(31.03.16)	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2576979	3.90	01.04.2015			
	Transfer (as Executor for Estate of Late Smt.Kamala Devi Bangur)			24.04.2015	249200	2826179	4.28
	Transfer*			09.10.2015	-249200	2576979	3.90
	At the end of the year	2576979	3.90	31.03.2016		2576979	3.90
2	Smt. Shashi Devi Bangur	1982507	3.00	01.04.2015			
	At the end of the year	1982507	3.00	31.03.2016	No movement	1982507	3.00
3	Shri Saurabh Bangur	1315730	1.99	01.04.2015			
	At the end of the year	1315730	1.99	31.03.2016	No movement	1315730	1.99
4	Shri Virendraa Bangur	969578	1.47				
	Transfer			31.03.2016	17669	987247	1.49
	At the end of the year	987247	1.49	31.03.2016		987247	1.49
5	Rangnath Shree Kumar	613063	0.93	01.04.2015			
	At the end of the year	613063	0.93	31.03.2016	No movement	613063	0.93
6	Shree Kumar Virendra Kumar	155000	0.23	01.04.2015			
	At the end of the year	155000	0.23	31.03.2016	No movement	155000	0.23
7	Smt. Bharti Bangur	60000	0.09	01.04.2015			
	Transfer*			09.10.2015	62300	122300	0.19
	At the end of the year	122300	0.19	31.03.2016		122300	0.19
8	Master Aaryan Bangur	0		01.04.2015			
	Transfer*			09.10.2015	62300	62300	0.09
	At the end of the year	62300	0.09	31.03.2016		62300	0.09

Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year(01.04.15)/ end of the year (31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year(31.03.16)	% of total shares of the Company			No. of shares	% of total shares of the Company
9	Master Ankit Bangur	0		01.04.2015			
	Transfer*			09.10.2015	62300	62300	0.09
	At the end of the year	62300	0.09	31.03.2016		62300	0.09
10	Master Shrivatsa Bangur	0		01.04.2015			
	Transfer*			09.10.2015	62300	62300	0.09
	At the end of the year	62300	0.09	31.03.2016		62300	0.09
11	Veer Enterprises Limited	10597100	16.04				
	At the end of the year	10597100	16.04	31.03.2016	No movement	10597100	16.04
12	Shree Satyanarayan Investments Company Limited	10312973	15.61				
	At the end of the year	10312973	15.61	31.03.2016	No movement	10312973	15.61
13	Orbit Udyog Pvt. Limited	2293855	3.47				
	Transfer			29.01.2016	30000	2323855	3.52
	Transfer			26.02.2016	6000	2329855	3.53
	Transfer			04.03.2016	45000	2374855	3.60
	Transfer			31.03.2016	10000	2384855	3.61
	At the end of the year	2384855	3.61	31.03.2016		2384855	3.61
14	Saumya Trade And Fiscal Services Pvt. Ltd.	1998300	3.03				
	Transfer			11.03.2016	30000	2028300	3.07
	Transfer			18.03.2016	43009	2071309	3.14
	At the end of the year	2071309	3.14	31.03.2016		2071309	3.14
15	The Diamond Company Limited	1953197	2.96				
	At the end of the year	1953197	2.96	31.03.2016	No movement	1953197	2.96
16	Gold Mohore Investment Co.Ltd.	647545	0.98				
	At the end of the year	647545	0.98	31.03.2016	No movement	647545	0.98
17	The Thirumbadi Rubber Company Ltd.	464200	0.70				
	Transfer			15.05.2015	- 464200	0	-0.70
	At the end of the year	0	0	31.03.2016		0	0
18	The Thirumbadi Rubber Company Ltd.	0	0	01.04.2015			
	Transfer			15.05.2015	464200	464200	0.70
	At the end of the year	464200	0.70	31.03.2016		464200	0.70
19	Mothola Company Ltd.	77700	0.12				
	At the end of the year	77700	0.12	31.03.2016	No movement	77700	0.12
20	The Indra Company Ltd.	15750	0.02				
	At the end of the year	15750	0.02	31.03.2016	No movement	15750	0.02
21	Amrit-Villa Investments Limited	11500	0.02				
	At the end of the year	11500	0.02	31.03.2016	No movement	11500	0.02
22	Union Company Limited	4450	0.01				
	At the end of the year	4450	0.01	31.03.2016	No movement	4450	0.01

*pursuant to Probate of the will of Late Smt. Kamala Devi Bangur issued by Hon'ble High Court of Calcutta.

Annexure to Directors' Report (Contd.)

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

Sl. No.	For Each of the Top 10 shareholders	Shareholding		Date	Increase/Decrease in shareholding	Cumulative Shareholding during the year(01.04.15)/end of the year (31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co.Ltd.- A/c Reliancesmall Cap Fund	528140	0.80	01.04.2015			
	Transfer			10.04.2015	94000	622140	0.94
	Transfer			17.04.2015	101555	723695	1.10
	Transfer			29.05.2015	550000	1273695	1.93
	Transfer			24.07.2015	263900	1537595	2.33
	Transfer			31.07.2015	206400	1743995	2.64
	Transfer			31.12.2015	439487	2183482	3.31
	Transfer			01.01.2016	89885	2273367	3.44
	Transfer			08.01.2016	110483	2383850	3.61
	Transfer			15.01.2016	325754	2709604	4.10
	Transfer			22.01.2016	30378	2739982	4.15
	Transfer			04.03.2016	158725	2898707	4.39
	Transfer			18.03.2016	500000	3398707	5.15
	At the end of the year	3398707	5.15	31.03.2016		3398707	5.15
2	CD Equifinance Pvt.Limited	1168338	1.77	01.04.2015			
	Transfer			10.04.2015	-4018	1164320	1.76
	At the end of the year	1164320	1.76	31.03.2016		1164320	1.76
3	IDFC Equity Opportunity-Series 1	1600000	2.42	24.04.2015	124191	1724191	2.61
	Transfer			01.05.2015	193695	1917886	2.90
	Transfer			15.05.2015	12901	1930787	2.92
	Transfer			22.05.2015	58173	1988960	3.01
	Transfer			29.05.2015	19577	2008537	3.04
	Transfer			05.06.2015	128906	2137443	3.24
	Transfer			12.06.2015	74017	2211460	3.35
	Transfer			19.06.2015	64617	2276077	3.45
	Transfer			29.01.2016	-123443	2152634	3.26
	Transfer			05.02.2016	-8896	2143738	3.25
	Transfer			11.03.2016	-13569	2130169	3.23
	Transfer			18.03.2016	-637315	1492854	2.26
	Transfer			25.03.2016	-450000	1042854	1.58
	Transfer			31.03.2016	-3341	1039513	1.57
	At the end of the year	1039513	1.57	31.03.2016		1039513	1.57
4	General Insurance Corporation of India	925230	1.40	01.04.2015			
	At the end of the year	925230	1.40	31.03.2016	No movement	925230	1.40
5	Purvanchal Leasing Limited	565274	0.86	01.04.2015			
	At the end of the year	565274	0.86	31.03.2016	No movement	565274	0.86

Annexure to Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 shareholders	Shareholding		Date	Increase/Decrease in shareholding	Cumulative Shareholding during the year(01.04.15)/end of the year (31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company			No. of shares	% of total shares of the Company
6	The Oriental Insurance Company Limited	679980	1.03	01.04.2015			
	Transfer			14.08.2015	-45000	634980	0.96
	Transfer			21.08.2015	-30000	604980	0.92
	Transfer			28.08.2015	-15000	589980	0.89
	Transfer			08.01.2016	-31693	558287	0.85
	Transfer			15.01.2016	-35072	523215	0.79
	At the end of the year	523215	0.79	31.03.2016		523215	0.79
7	National Insurance Company Ltd.	423908	0.64	01.04.2015			
	At the end of the year	423908	0.64	31.03.2016	No movement	423908	0.64
8	The New India Assurance Company Limited	352940	0.53	01.04.2015			
	At the end of the year	352940	0.53	31.03.2016	No movement	352940	0.53
9	Prabha Mohta	300002	0.45	01.04.2015			
	Transfer			25.09.2015	300002	600004	0.91
	Transfer			30.09.2015	-300002	300002	0.45
	At the end of the year	300002	0.45	31.03.2016		300002	0.45
10	Smt. Sujata Premal Kapadia	299700	0.45	01.04.2015			
	Transfer			25.09.2015	299700	599400	0.91
	Transfer			30.09.2015	-299700	299700	0.45
	At the end of the year	299700	0.45	31.03.2016		299700	0.45

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/Decrease in shareholding	Cumulative Shareholding during the year (01.04.15)/end of the year(31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2576979	3.90	01.04.2015			
	Transfer*			24.04.2015	249200	2826179	4.28
	Transfer*			09.10.2015	-249200	2576979	3.90
	At the end of the year	2576979	3.90	31.03.2016		2576979	3.90
2	Smt. Shashi Devi Bangur	1982507	3.00	01.04.2015			
	At the end of the year	1982507	3.00	31.03.2016	No movement	1982507	3.00
3	Shri Saurabh Bangur	1315730	1.99	01.04.2015			
	At the end of the year	1315730	1.99	31.03.2016	No movement	1315730	1.99
4	Shri P K Mundra (Resigned w.e.f. 10.12.2015)	5		01.04.2015		5	
	As on 10.12.2015	5		10.12.2015	No movement	5	

*pursuant to Probate of the will of Late Smt.Kamala Devi Bangur issued by Hon'ble High Court of Calcutta.

Annexure to Directors' Report (Contd.)

V. INDEBTEDNESSES

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

(₹/Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Dealer Deposits & Employees security deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	70533.48	20509.42	2911.50	93954.40
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	311.09	-	-	311.09
Total (i+ii+iii)	70844.57	20509.42	2911.50	94265.49
Change to Indebtedness during the financial year				
• Addition	12675.05	8.17	-	12683.22
• Reduction	27497.05	1835.57	107.39	29440.01
Net Change	(14822.00)	(1827.40)	(107.39)	(16756.79)
Indebtedness at the end of the financial year				
(i) Principal Amount	55711.48	18682.02	2804.11	77197.61
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	169.32	-	-	169.32
Total (i+ii+iii)	55880.80	18682.02	2804.11	77366.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager :

(₹/Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri S K Bangur - CMD	Shri K L Chandak - WTD & CFO*	Shri Rajendra Jain - WTD & CFO#	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	60.00	154.93	50.25	265.18
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	8.00	22.30	4.12	34.42
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	276.37**	-	-	276.37
	- Others, specify	-	-	-	-
5.	Others, please specify (Non taxable)	11.14	32.97	20.25	64.36
	Total (A)	355.51	210.20	74.62	640.33

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

* Shri K. L. Chandak, Executive Director and CFO retired on 30.11.2015. In addition to above remuneration, Gratuity of ₹ 2.00 Cr. was paid as retirement benefit, which was provided in earlier years.

** Commission relates to the financial year ended 31st March, 2016 which will be paid during Financial Year 2016-17.

Shri Rajendra Jain, Whole Time Director and Executive Director/CFO appointed on 31.07.2015 and 01.12.2015 respectively.

Annexure to Directors' Report (Contd.)

B. Remuneration to other directors :

(₹/Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Lt. Gen. (Retd.) Utpal Bhatta-charyya	Shri Krishna Kumar Karwa	Shri M P Taparia	Shri Amitav Kothari*	Shri Saurabh Bangur	Smt. Shashi Devi Bangur	Shri P N Kapadia	
1. Independent Directors									
	• Fee for attending board committee meetings	1.40	0.40	0.50	–	–	–	–	2.30
	• Commission	–	–	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–	–	–
	Total (1)	1.40	0.40	0.50	–	–	–	–	2.30
2. Other Non-Executive Directors									
	• Fee for attending board committee meetings	–	–	–	–	0.50	0.30	1.40	2.20
	• Commission	–	–	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	0.50	0.30	1.40	2.20
	Total (B) = (1+2)	1.40	0.40	0.50	–	0.50	0.30	1.40	4.50
	Total Managerial Remuneration (A+B)	–	–	–	–	–	–	–	644.83

* Shri Amitav Kothari is appointed on 12.02.2016.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

(₹/Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Shri P K Mundra - Company Secretary (Resigned w.e.f. 10.12.2015)*	CFO	Total
1. Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	27.80	–	27.80
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	2.88	–	2.88
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–	–
2. Stock Option		–	–	–	–
3. Sweat Equity		–	–	–	–
4. Commission					
	- as % of profit	–	–	–	–
	- Others, specify	–	–	–	–
5. Others, please specify (Non taxable)		–	12.98	–	12.98
	Total	–	43.66	–	43.66

*In addition to above remuneration, Gratuity of ₹ 17.40 Lakhs was paid as terminal benefit, which was provided in earlier years.

Annexure to Directors' Report (Contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Particulars	Section of The Companies Act.	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal Made, if any (give details)
A. Company					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. Directors					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. Other officers in default					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

For and on behalf of the Board

Place : Mumbai
Dated : 30th May 2016

S. K. Bangur
Chairman & Managing Director

Annexure to Directors' Report (Contd.)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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 project or programs. : Website: www.westcoastpaper.com
2. The Composition of the CSR Committee : (1) Shri S. K. Bangur
(2) Shri Saurabh Bangur
(3) Shri M. P. Taparia
3. Average net profit of the company for last three financial years : ₹ 14.41 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 0.29 Crores
5. Details of CSR spent during the financial year
 - (a) Total amount to be spent for the financial year : ₹ 0.29 Cr.
 - (b) Amount unspent, if any; : ₹ 0.17 Cr.
 - (c) Manner in which the amount spent during the financial year is detailed below :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR projector or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Protection of National Heritage, Art & culture etc "Karavalli Utsav"	Local	Dandeli-Uttar Kannada, Karnataka	₹ 20,000	₹ 20,000		₹ 20,000 Spent Directly
2.	-do-	Rural	The Kannada Sahitya Parishat a Karnataka Govt. Sponsored Body for Promotion of Kannada Language and Karnataka Sangha	₹ 53,261	₹ 53,261		The President of Kannada Sahitya Parishat
3.	Rural Development Project	Rural	Local - Medical Camps for Rural population	₹ 94,726	₹ 94,726		Cost of Medicines supplied by us excluding the cost of Doctors Deputed by us.
			Maintenance of Water Supply Line Under Jal Nirmal Yojana	₹ 2,34,207	₹ 2,34,207		Cost of Maintenance of the water Lines

Annexure to Directors' Report (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR projector or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4.	Ensuring Environment Sustainability etc.	Local	Development & Maintenance of Local Garden in the Limits of Local Body "Nandagokul Garden"	₹ 1,85,778	₹ 1,85,778		Cost Incurred by us towards maintenance of the garden.
5.	Contribution to Registered Trusts /Society	Local	Providing assistance to Trusts maintaining Temples & Places of worship	₹ 2,83,750	₹ 2,83,750		Paid to the Temples and Trusts.
6.	Promoting Education etc	Local	Distribution of Note Books at subsidized prices to Local Students & sponsoring School/College sports & other institute activities	₹ 3,77,613	₹ 3,77,613		Cost of Subsidy towards note books distributed to local students & sponsoring School/College sports & other institute activities

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

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.- The Board took all possible initiatives to ensure that the amount of Rs.0.29 Cr. be spent on CSR in accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder. However, due to project mode of CSR activity, where the project time extends beyond the financial year, the Company could not spend Rs.0.17 Cr. on CSR.
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. - **Yes. It is in Compliance.**

Place : Mumbai
Date : 30th May, 2016

Rajendra Jain
Executive Director

S. K. Bangur
Chairman

Annexure to Directors' Report (Contd.)

APPOINTMENT POLICY

THE APPOINTMENT POLICY FOR INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR EXECUTIVES WILL BE AS UNDER-

(A) Independent Directors:

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

(B) Key Managerial Personnel (KMP):

KMP will be appointed by the resolution of the board of directors of the company, based on the qualification, experience and exposure in the prescribed fields. Removal of the KMP will also be done by the Resolution of the Board of Directors of the Company. Appointment/Removal will be in accordance with provisions of the Companies Act, 2013, rules made thereunder & Listing Agreements entered with Stock Exchanges.

(C) Senior Executives:

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

For and on behalf of the Board

Place : Mumbai
Dated : 30th May 2016

S. K. Bangur
Chairman & Managing Director

PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

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

For and on behalf of the Board

Place : Mumbai
Dated : 30th May 2016

S. K. Bangur
Chairman & Managing Director

Annexure to Directors' Report (Contd.)

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Shri S. K. Bangur <i>Chairman & Managing Director</i> Shri K. L. Chandak* <i>Executive Director</i> Shri Rajendra Jain <i>Executive Director</i>	128:1 76:1 27:1																	
(ii)	The percentage increase in remuneration of each director, Chief Financial officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Shri S. K. Bangur <i>Chairman & Managing Director</i> Shri K. L. Chandak* <i>Executive Director</i> Shri Rajendra Jain <i>Executive Director</i> Shri P. K. Mundra** <i>President (Finance) & Company Secretary</i>	349% 20.53% – 61%	(₹ 355.50 lakhs in 2015-16 including commission, against ₹ 79.14 lakhs in 2014-15) (₹ 210.20 lakhs against ₹ 174.40 lakhs in 2014-15) (Appointed during the year) (₹ 43.66 lakhs against ₹ 27.11 lakhs in 2014-15)																
(iii)	The percentage increase in the median remuneration of employees in the financial year;	5.31																		
(iv)	The number of permanent employees on the rolls of company;	2379																		
(v)	The explanation on the relationship between average increase in remuneration and company performance;	» The average increase in the remuneration is of 19.36% of all employees whereas the net profit of the company has increased by 694.26%.																		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	» The remuneration of the Managerial Personnel has changed as mentioned above whereas the Company’s net profit has increased by 694.26%.																		
(vii)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<div>₹/Crores</div> <table><thead><tr><th></th><th>31.03.2016</th><th>31.03.2015</th><th><u>Variation</u></th></tr></thead><tbody><tr><td>Market capitalization</td><td>466</td><td>323</td><td>143</td></tr><tr><td></td><td>2015-16</td><td>2014-15</td><td></td></tr><tr><td>Price earnings ratio</td><td>52</td><td>288</td><td></td></tr></tbody></table> <p>Market quote over public offer The Company came out with the IPO on 18.10.1955 at face value of ₹ 100/- at par which is equivalent face value of ₹ 2 per share as on 31.03.2016 whereas the market quotation was ₹ 69.05 as on 31.03.2016 i.e., 34.52 times.</p>				31.03.2016	31.03.2015	<u>Variation</u>	Market capitalization	466	323	143		2015-16	2014-15		Price earnings ratio	52	288	
	31.03.2016	31.03.2015	<u>Variation</u>																	
Market capitalization	466	323	143																	
	2015-16	2014-15																		
Price earnings ratio	52	288																		
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salary/wages of the employees was 15.95% (other than Managerial Personnel) whereas remuneration to managerial personnel increased by 82.78%.																		

Annexure to Directors' Report (Contd.)

(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Shri S. K. Bangur, Chairman & Managing Director is entitled for ₹ 276.37 lakhs commission based on profit of the Company for the year 2015-16. There is no variable component of salary paid in 2014-15 linked with performance of the company for the managerial personnel.
(x)	The key parameters for any variable component of remuneration availed by the directors;	Commission based on profit pursuant to terms of appointment of Shri S. K. Bangur, Chairman & Managing Director.
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	There is no such employee being paid higher than the highest paid director.
(xii)	affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that remuneration paid is as per the remuneration policy of the company.

* Shri K. L. Chandak, retired on 30.11.2015.

** Shri P. K. Mundra, resigned w.e.f. 10.12.2015.

For and on behalf of the Board

Place : Mumbai
Dated : 30th May 2016

S. K. Bangur
Chairman & Managing Director

Annexure to Directors' Report (Contd.)

Information as per Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report to the members for the year ended 31st March, 2016.

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy :

1. Stopped old side injection pump by utilising excess capacity available at injection Pump of 34.5 MW T.G Set.
2. Bypassing intermittent pulp storage tower at old pulp mill to avoid pumping, agitation & manpower costs.
3. In Fibre line section utilisation of Dhot condensate of PO press dilution system in heating of the pulp.
4. Rationalisation of transformers in PM/c 6 section to optimise transformer losses (2 transformers M2 & M7 transformers primary power switched off and other transformers loaded).
5. 15 Nos old motors (Rewound motors many times) replaced in different parts of all plants with energy efficient motors.
6. Stoppage of soot blower sealing air fan in Enmas Recovery Boiler by using air from TA Fan.
7. Reduction in power consumption by regulating periodic running of Eco-2 & 3 chain conveyor and Rotary feeder at BHEL Recovery Boiler.
8. In Recovery section Power saving by supplying White liquor directly from CD filter filtrate Pump no. 17-18 to Pulp mill bypassing White liquor storage tank.
9. Stopping of Booster pump at Enmas Recovery Boiler, AMT vent pipe by using mill fresh water line.

(ii) the steps taken by the company for utilizing alternate sources of energy :

The Company is generating steam from chemical recovery boilers wherein Black Liquor Dry Solids (by product of wood) is fired to generate steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy (U&I Group), Government of India vide their letter No. POSOC / NLDC / REC4 dated 19.12.2011. The steam generated from chemical recovery boilers is 48% of total steam generation of the mill in the year 2015-16.

(iii) the capital investment on energy conservation equipments :

₹ 290.96 Lakhs for reducing Furnace oil consumption

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption :

1. Improved machine runnability, quality & higher productivity.
2. Utilisation of the imported chips has resulted in augmenting the raw material shortage without compromising on the quality of the final product by maintaining the optimum level of production.
3. Better SS & Non SS paper with higher Ash in the final paper resulting in the conservation of invaluable raw materials.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution :

These Research & Development activities have enabled the Company to increase productivity, improve the product quality and cost savings.

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

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development :

	(₹ in Lakhs)	
	2015-16	2014-15
(a) Capital	Nil	Nil
(b) Recurring	42.85	47.35
(c) Total	42.85	47.35
(d) Total R&D expenditure as a percentage of total turnover	0.03	0.03

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and outgo were ₹ 3,399.50 Lakhs and ₹ 51,699.90 Lakhs respectively (₹ 2,864.35 Lakhs and ₹ 35,109.20 Lakhs previous year).

For and on behalf of the Board

Place : Mumbai

Dated : 30th May 2016

S. K. Bangur

Chairman & Managing Director

Annexure to Directors' Report (Contd.)

Particulars of Employees pursuant to the provisions of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report dated 30th May, 2016 for the year ended 31st March, 2016.

Name	Designation & Nature of Duties	Remuneration (₹ Lakhs)	Qualification	Age	Experience (Years)	Date of Joining	Previous Employment, Designation Name of Employer, Period of Service (Years)	% of equity shares held
Shri S. K. Bangur	Chairman & Managing Director	355.50	B.Com.	66	42	01.05.03	Managing Director Jayshree Chemicals Ltd., Ganjam 15 years	3.90%
Shri K. L. Chandak	Executive Director (Retired on 30.11.2015)	210.20	B.Com, F.C.A	70	44	18.12.71	-	-
Shri Rajendra Jain	Executive Director Overall management	74.62	B.Com., FCA, ACS	54	29	31.07.15	Executive President Grasim Industries Ltd.	-

Notes :

1. Remuneration includes salary, commission, Company's contribution to Provident, Superannuation and Gratuity Funds.
2. All appointments are contractual, other terms and conditions are as per rules of the Company.
3. Shri S. K. Bangur is related to Smt. Shashi Devi Bangur (Wife) & Shri Saurabh Bangur (Son) directors of the Company.

Annexure to Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the Directors have selected such accounting policies which have been applied consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the accounts for the financial year ended on 31st March 2016 have been prepared on a 'going concern' basis.
- v) 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.
- vi) 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.

On behalf of the Board

Place : Mumbai

Date : 30th May, 2016

S. K. Bangur

Chairman & Managing Director

Annexure to Directors' Report (Contd.)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

Annexure to Directors' Report (Contd.)

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

- (a) The Factories Act, 1948 and Rules made thereunder;
- (b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
- (c) Acts and Rules prescribed under prevention and control of pollution;
- (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
- (e) Acts and Rules relating to boilers, electricity explosives, fire, etc.;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the verification of the records and minutes, the decisions at Board Meetings and Committee Meetings were carried out with unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

Place : Dandeli
Date : 27 May 2016

Srikant R. Gudi
Company Secretary
FCS No. 8499, C P No.: 7820

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

Annexure to Directors' Report *(Contd.)*

ANNEXURE - A

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

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

1. Maintenance of secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, I have obtained the Management Representation about the compliances of laws, rules and regulations.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management, My examination was limited to verification of procedures on test basis.
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.

Place : Dandeli
Date : 27 May 2016

Srikant R. Gudi
Company Secretary
FCS No. 8499, C P No.: 7820

Report on Corporate Governance

The detailed report on Corporate Governance for the financial year 2015-16 as incorporated in Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 is set-out here-below :

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2) BOARD OF DIRECTORS

(i) Composition

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

- ▶▶ Three promoter Directors, including Chairman & Managing Director and Vice Chairman
- ▶▶ Five Independent, Non-Executive Directors and
- ▶▶ One Non-Promoter, Executive Director.

(ii) Category, Attendance & Other Directorship

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

Director	Category	Board Meetings Attended	Number of Directorships*	No. of Membership of other Board Committees (*)(**)	No. of Board Committees for which Chairperson (*)(**)
Shri S. K. Bangur	Promoter, Chairman & Managing Director	6	8	—	1
Smt. Shashi Devi Bangur	Promoter, Non-Executive	3	3	—	—
Shri Saurabh Bangur	Promoter, Vice Chairman	4	3	—	—
Shri Premal N. Kapadia	Independent Non-Executive	6	2	1	—

Report on Corporate Governance (Contd.)

Director	Category	Board Meetings Attended	Number of Directorships*	No. of Membership of other Board Committees (*)(**)	No. of Board Committees for which Chairperson (*)(**)
Lt. Gen [Retd.] Utpal Bhattacharyya	Independent Non-Executive	6	—	—	—
Shri Krishna Kumar Karwa	Independent Non-Executive	2	4	3	—
Shri M. P. Taparia	Independent Non-Executive	2	4	1	1
Shri Amitav Kothari (appointed w.e.f. 12.02.2016)	Independent Non-Executive	—	3	1	2
Shri K. L. Chandak (retired on 30.11.2015)	Executive Director	5	1	—	—
Shri Rajendra Jain (appointed w.e.f. 31.07.2015)	Executive Director	3	—	—	—

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

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

Lt. Gen. (Retd.) Utpal Bhattacharyya, Shri K. L. Chandak and Shri Rajendra Jain attended the last Annual General Meeting.

(iii) Board Meetings held

During the year under review, Six Board Meetings were held on May 21 and 27, July 23, August 11, November 14, 2015 and February 12, 2016.

- (iv) None of the directors other than Smt. Shashi Devi Bangur being spouse and Shri Saurabh Bangur being son of Shri S.K.Bangur are relatives inter-se.
- (v) Smt. Shashi Devi Bangur and Shri Saurabh Bangur holds 1982507 and 1315730 equity shares respectively of the Company.
- (vi) Details of Familiarisation programmes imparted to Independent Directors are available at Weblink : <http://www.westcoastpaper.com>.

3) AUDIT COMMITTEE

i) Brief description of terms of reference

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

Report on Corporate Governance (Contd.)

ii) Composition, names of members and Chairperson

The Audit Committee, comprises three directors, of whom two are independent, Non-Executive Directors and one is Executive Director, all of them possessing knowledge of corporate finance, accounts and Company law. The chairman of the Committee is an independent Non-executive Director. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as follows :-

(i) Shri Krishna Kumar Karwa (resigned from the committee on 27.05.2015)	Chairman
(ii) Shri P. N. Kapadia	Chairman
(iii) Lt. Gen (Retd.) Utpal Bhattacharyya	Member
(iv) Shri Rajendra Jain (appointed w.e.f.1.12.2015)	Member

iii) Meetings and Attendance during the year

During the year ended March 31, 2016, four meetings of the Audit Committee were held on the following dates :

(i) May 27, 2015 (ii) August 11, 2015 (iii) November 14, 2015 (iv) February 12, 2016

The attendance of the Chairman and the members of Audit Committee at the meetings held during the year under review was as under :

Name of the Director	No. of Meetings attended
Shri Krishna Kumar Karwa	1
Shri P. N. Kapadia	4
Lt. Gen (Retd.) Utpal Bhattacharyya	4
Shri K. L. Chandak (retired on 30.11.2015)	3
Shri Rajendra Jain	1

4) NOMINATION AND REMUNERATION COMMITTEE

i) Brief description of terms of reference

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

ii) Composition, names of Members and Chairperson

The Nomination and Remuneration Committee comprises three non-executive Independent Directors and the Company Secretary acts as Ex-officio Secretary of the Committee.

The names of the Members & Chairperson of the Remuneration Committee are as under :

(i) Shri M. P. Taparia	Chairman
(ii) Shri P. N. Kapadia	Member
(iii) Lt. Gen. (Retd.) Utpal Bhattacharyya (appointed w.e.f. 27.05.2015)	Member

iii) Meetings and attendance during the year

The Nomination and Remuneration Committee met on 27th May, 23rd July, 2015 and 12th February, 2016 to recommend to the Board appointment and to approve remuneration to whole time directors. Attendance of members at Committee Meetings was as follows-

Report on Corporate Governance (Contd.)

Name of the Director	No. of Meetings attended
Shri M.P. Taparia	2
Shri P.N. Kapadia	3
Lt.Gen.(Retd.) Utpal Bhattacharyya	3

iv) Performance evaluation criteria for Independent Directors

Performance evaluation criteria for independent directors is covered in Directors' Report forming part of this Annual Report.

- v) There is no pecuniary relationship or transactions between non-executive directors and the Company except payment of sitting fees for attending Board and Committee Meetings as mentioned below.

vi) Remuneration Policy

Except Chairman & Managing Director and Executive Director, the remaining Directors do not receive any remuneration, other than sitting fees for attending the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, CSR Committee and Independent Directors Meeting @ ₹ 10,000/- per meeting in terms of the resolution passed by the Board of Directors in its meeting held on June 27, 2005.

vii) Details of remuneration

The details of Remuneration package, sitting fees paid etc., to directors during the year ended March 31, 2016, for information of members, are furnished here below:-

(a) Paid to Non-Executive Directors :

Sl. No.	Name of Director	Sitting Fees paid (₹)	Remarks
1.	Smt. Shashi Devi Bangur	30,000	
2.	Shri Saurabh Bangur	50,000	Except sitting fees for meetings of Board or its Committees, independent directors and non-executive directors are not paid any salary, benefits, bonuses, stock options, pension etc. There is no contract, Notice period or severance fees applicable. Stock Option details - Not applicable as the same is not given.
3.	Shri P. N. Kapadia	1,40,000	
4.	Lt. Gen. [Retd.] Utpal Bhattacharyya	1,40,000	
5.	Shri Krishna Kumar Karwa	40,000	
6.	Shri M. P. Taparia	50,000	
7.	Shri Amitav Kothari	—	
TOTAL		4,50,000	

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

Report on Corporate Governance (Contd.)

(b) Paid to Chairman & Managing Director/Executive Director :

Sl. No.	Particulars	Shri S. K. Bangur Chairman & Managing Director	Shri K. L. Chandak Executive Director (retired on 30.11.2015)	Shri Rajendra Jain Executive Director (appointed w.e.f. 31.07.2015)
(i)	Remuneration :			
	- Salary	60,00,000	70,45,600	44,98,065
	- Contribution to Provident, Gratuity and Superannuation Funds	19,08,462	39,98,664	8,69,738
	- Benefits : Allowances/Perks	5,396	99,75,495	20,94,208
	- Commission	2,76,37,000	–	–
	Total	3,55,50,858	2,10,19,759	74,62,011
(ii)	Details of Fixed Component and performance linked incentives along with the performance criteria :			
	(a) Fixed Component :	(₹ Per month)	(₹ Per month)	(₹ Per month)
	Salary – per month	5,00,000	8,28,800	5,60,000
	Contribution to Provident Fund (12%) & Superannuation Fund (15%) of salary	As per Rules	As per Rules	As per Rules
	Perks and other allowances	As per Rules	As per Rules	As per Rules
	(b) Performance Linked Incentive :			
	Commission (Based on Net Profit for the year within the individual/overall ceiling for managerial remuneration from time to time).	Up to 5% of net profit by way of Salary, perks and Commission, all taken together.	–	–
	(c) Minimum Remuneration :			
	In case of inadequacy of profit in any year as calculated under Section 197/198 of the Companies Act, 2013.	Within the ceiling of Schedule V, as amended from time to time.	Within the ceiling of Schedule V, as amended from time to time.	Within the ceiling of Schedule V, as amended from time to time.
(iii)	Service Contracts, notice period, severance fees :			
	(a) Service Contract	The re-appointment is for a further period of five years i.e., till April 30, 2016.	The re-appointment was for a period of two years i.e., till November 30, 2015.	The appointment is for a period of three years i.e., till 30.07.2019.
	(b) Notice period	Not specified	Three months from either side	Three months from either side
	(c) Severance fees	Not specified	Not specified	Not specified
(iv)	Stock Option details, if any, and whether the same has been issued at discount as well as the period over which accrued and over which exercisable.	No Stock option issued, hence not applicable.	No Stock option issued, hence not applicable.	No Stock option issued, hence not applicable.

Note : Shri S. K. Bangur is related to Smt. Shashi Devi Bangur (spouse) and Shri Saurabh Bangur (son).

Report on Corporate Governance (Contd.)

5) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Composition

The composition of the Stakeholders Relationship Committee is as under :

(i) Smt. Shashi Devi Bangur	Chairperson
(ii) Shri Saurabh Bangur	Member
(iii) Shri Rajendra Jain (appointed w.e.f. 01.12.2015)	Member

Shri P. K. Mundra, Company Secretary (resigned w.e.f.10.12.2015) was the Compliance Officer.

Meetings and Attendance during the year

During the year, four meetings were held on 4th May, 25th June, 9th December 2015 and 12th February, 2016. Details of attendance are as follows :-

Name of the Director	No. of Meetings attended
Smt. Shashi Devi Bangur	2
Shri Saurabh Bangur	4
Shri K. L. Chandak (retired on 30.11.2015)	—
Shri Rajendra Jain	2

Complaints Status

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

During the year under review, the Company has received 1 complaint from shareholders/investors, which inter-alia included non-receipt of annual report and the complaint was resolved.

No complaint was pending as on March 31, 2016.

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition, Meeting and Attendance during the year

The composition of the Corporate Social Responsibility Committee is as under :

(i) Shri S. K. Bangur	Chairman
(ii) Shri Saurabh Bangur	Member
(iii) Shri M. P. Taparia	Member

During the year one meeting is held on 14.11.2015 and Shri S. K. Bangur and Shri Saurabh Bangur attended the same.

Report on Corporate Governance (Contd.)

7) GENERAL BODY MEETINGS

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

(i) Annual General Meetings

AGM	Day	Date	Time	Location
58th	Wednesday	31.07.2013	4:00 P.M.	Bangur Nagar, Dandeli
59th	Thursday	31.07.2014	4:00 P.M.	Bangur Nagar, Dandeli
60th	Friday	31.07.2015	4:00 P.M.	Bangur Nagar, Dandeli

(ii) Special Resolutions passed in the previous 3 AGMs

- (1) At the 60th Annual General Meeting held on 31st July, 2015 consent of the members was accorded for amending Articles of Association of the Company to include Article 155A – Chairman of the Board can also be Whole time Director by whatever name called in terms of the Section 203 of the Companies Act, 2013.
- (2) At the 59th Annual General Meeting held on 31st July, 2014 following Special Resolution were passed :
 - i) Approval of re-appointment and remuneration of Shri K. L. Chandak, as Executive Director.
 - ii) Approval for borrowing money upto ₹ 2,000 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.
- (3) No Special Resolution was passed in 58th Annual General Meeting held on 31.07.2013.

(iii) Special Resolution passed last year through postal ballot (under Section 110) and details of voting pattern

No special resolutions were passed through postal ballot last year.

(iv) Special Resolution proposed to be passed through Postal Ballot during this year

At present, no Special Resolution is proposed to be passed through Postal Ballot during the current year.

8) MEANS OF COMMUNICATION

- i) The Board of Directors of the Company approves the quarterly and half-yearly unaudited financial results in the proforma prescribed by Clause 41 of the Listing Agreements/pursuant to Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time within Forty Five days of the close of the respective periods (except audited results for the year/last quarter within Sixty days of the end of the accounting year).
- ii) The approved financial results are faxed/e-mailed/submitted online immediately after the Board Meeting to the Stock Exchanges where the Company's shares are listed and are published in Business Standard (English) and Karavali Munjavu (Kannada) news papers, within Forty-eight hours of approval thereof by the Board of Directors.
- iii) The Company's financial results, official news releases and presentations are displayed on the Company's website - www.westcoastpaper.com.
- iv) Management Discussion and Analysis forms part of the Annual Report, to the shareholders of the Company.

9) GENERAL SHAREHOLDER INFORMATION

61st Annual General Meeting

- Date 31st August, 2016
- Time 4.00 PM
- Venue Shree Rangnath Auditorium
Bangur Nagar, Dandeli - 581 325

Report on Corporate Governance (Contd.)

Tentative Financial Calendar 2016-17

Adoption of Quarterly Results of the quarter ending 1st/2nd week of -

- June 30, 2016	August 2016
- September 30, 2016	November 2016
- December 31, 2016	February 2017
- March 31, 2017 (year ending)	3rd/4th week of May 2017

Book Closure date 20th August to 31st August, 2016
(Both days inclusive)

Dividend payment date 5th September, 2016 onwards

LISTING OF EQUITY SHARES ON STOCK EXCHANGES

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

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

Listing fee for the year 2015-16 and 2016-17 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

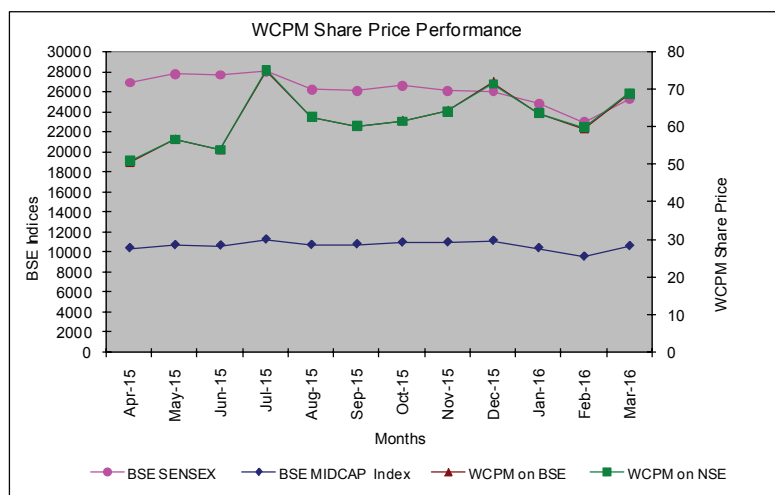
STOCK CODE

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

Market Price Data (₹)

Month	BSE Limited (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2015	56.15	49.00	56.15	48.60
May, 2015	59.50	50.00	59.90	50.05
June, 2015	57.60	51.00	58.70	50.85
July, 2015	80.20	54.00	80.20	53.15
August, 2015	78.50	58.00	78.65	58.10
September, 2015	63.90	54.80	64.00	54.55
October, 2015	67.60	59.65	68.00	59.50
November, 2015	71.00	59.70	71.00	59.00
December, 2015	73.90	61.50	73.80	61.10
January, 2016	79.10	58.25	79.30	58.20
February, 2016	65.00	52.80	65.90	52.75
March, 2016	71.30	59.55	71.70	59.10

Report on Corporate Governance (Contd.)



Registrar and Transfer Agents

For Shares held in physical mode as well as in dematerialized form :

Link Intime India Pvt. Ltd.
 C-13, Kantilal Maganlal Estate
 Pannalal Silk Mills Compound
 LBS Marg, Bhandup (W)
 Mumbai - 400 078
 Phone : (022) 2596 3838
 Fax : (022) 2596 2691
 E-mail : rnthelpdesk@linkintime.co.in

Share Transfer System

The Company's Registrar and Transfer Agent (RTA) has been entrusted with handling of Physical transfer of shares also, as per the directions of SEBI, w.e.f. February, 2003, apart from dematerialisation of shares. The Board of Directors of the Company has delegated the power of approval of share transfers executed/processed by the RTA to the Stakeholders Relationship Committee comprising of two Directors, Executive Director and Company Secretary of the Company. The RTA does the physical share transfers once in a week and sends the statement to the Company for approval purpose.

Shareholding pattern as on March 31, 2016

Category	No. of shares held	% of shareholding
Promoters	3,64,80,305	55.23
Mutual Funds & UTI	44,39,820	6.72
Banks, Financial Institutions, Insurance Companies & FII	22,79,156	3.45
Private Corporate Bodies	52,96,309	8.02
Indian Public	1,72,62,002	26.14
NRIs/OCBs	2,79,266	0.42
Foreign Nationals	12,050	0.02
ADRs/GDRs	-	-
TOTAL	6,60,48,908	100%

Report on Corporate Governance (Contd.)

Distribution of Shareholding as on March 31, 2016

From	To	No. of shareholders		No. of shares	
		Number	%	Number	%
Upto	5,000	16807	96.24	8970554	13.58
5,001	10,000	298	1.71	2261271	3.42
10,001	20,000	188	1.08	2736042	4.14
20,001	30,000	58	0.33	1436986	2.18
30,001	40,000	27	0.15	951919	1.44
40,001	50,000	17	0.10	782728	1.19
50,001	1,00,000	31	0.18	2109555	3.19
1,00,001	& Above	37	0.21	46799853	70.86
TOTAL		17463	100	66048908	100

Dematerialisation of Shares

The shares of the Company are in compulsory demat segment w.e.f. July 2000. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2016, 97.44% of the shares of the Company were held in dematerialized form and rest in physical form.

Plant Location of the Company :

Paper & Paperboard and Duplex Board

Bangur Nagar, Dandeli - 581 325
Uttara Kannada Dist. (Karnataka)

Optical Fibre Cable Unit :

Sudarshan Telecom
Plot No.386/387, KIADB
Electronic City
Hebbal Industrial Area
Mysore - 570 016

Address for Correspondence

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

Link Intime India Pvt. Ltd.

C-13, Kantilal Maganlal Estate
Pannalal Silk Mills Compound
LBS Marg, Bhandup (W), Mumbai - 400 078
Phone : (022) 2596 3838 • Fax : (022) 2596 2691
E-mail : rnthelpdesk@linkintime.co.in

10) DISCLOSURES

i) Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc., that may have any potential conflict with the interests of the Company.

ii) Compliance of various legal requirements by the Company

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

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

- iv) The Company has mostly complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreements/SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Regarding non-mandatory requirements:
 - » The Company is maintaining office for the Non-Executive Chairman.
 - » The Company is normally publishing unaudited/audited financial results without any qualifications.
 - » The Board members are having adequate experience and expertise to deal with business matters.
- v) The Company has no material Subsidiaries.
- vi) Policy on dealing with related party transactions is available on the website of the Company.
- vii) The Company has complied with requirements specified in Regulation 17 to 27 and clause(b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

11) CEO/CFO CERTIFICATION

As required by the Regulation 17(8) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from CEO and CFO was placed before the Board of Directors at the meeting held on 30th May 2016.

12) COMPLIANCE CERTIFICATE OF THE AUDITORS

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

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

- 13) As required under Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has applied to open the demat suspense account. Face value of the Company's shares were sub-divided from ₹ 100/- each to ₹ 10/- each and further sub-divided into ₹ 2/- each. Many shareholders are claiming dividends and voting at General Meetings, irregularly exchanging/obtaining the sub-divided shares, we are in the process of transferring the shares to demat suspense account.

DECLARATION

As provided under Regulation 26(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management personnel have affirmed compliance with Code of Conduct adopted by the Board, in its meeting held on 12th February 2016.

For **THE WEST COAST PAPER MILLS LTD.**

Place : Mumbai
Date : 30th May 2016

S. K. Bangur
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

The West Coast Paper Mills Limited

We have examined the compliance of Corporate Governance by The West Coast Paper Mills Limited ("the company"), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per 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 for the period 1st December 2015 to 31st March 2016.

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

In our opinion and to the best of our information and according to explanation given to us, we certify that the company has complied with the conditions of the corporate governance as stipulated in the above mentioned Listing agreement/Listing Regulations, as applicable subject to non attendance of the Annual General Meeting by the Chairman of Audit Committee.

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 **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Registration No. 101048W

R. D. Hangekar

Partner

Membership No. 30615

Place : Mumbai

Date : 30th May, 2016

Independent Auditors' Report

To the Members,
The West Coast Paper Mills Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The West Coast Paper Mills Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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 financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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 financial statements.

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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;

Independent Auditors' Report (Contd.)

- (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 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31,2016 on its financial position in its financial statements;(Refer Note:2.27(II))
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No. 101048W

R. D. Hangekar
Partner

Place : Mumbai
Date : 30th May, 2016

Membership No: 30615

Annexure 'A' to Independent Auditors' Report

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
- (c) The title deeds of the immovable property other than self constructed immovable property (buildings) as disclosed in schedule of fixed assets to the financial statements, are held in the name of the Company (note no 2.11), except for 139.68 acres of leasehold land for which the lease agreements are expired and pending to be renewed and registered with the government authorities. As the rentals are paid annually to the government authorities, hence they don't form part of the fixed assets block.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies have been noticed on such verification.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted

any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 of the Act. The company has complied with the provision of section 186 of the Act in respect of investment made or loan or guarantee or security provided to the parties covered under section 186 of the Act.

- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for maintenance of cost records prescribed under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales-tax, income-tax, duty of customs, wealth-tax, service tax, entry tax, value added tax, central sales tax, duty of excise which have not been deposited with the appropriate authority on account of any disputes are as under:

Annexure 'A' to Independent Auditors' Report (Contd.)

(₹ in Lakhs)

Name of the Statute	Nature of the dues	Amount	Forum where dispute is pending
The Tamilnadu General Sales Tax Act	Sales Tax	30.66	Madras High Court
Income Tax Act, 1961	Income Tax	8.90	Income Tax Appellate Tribunal
Income tax Act, 1961	Income Tax	262.28	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise	5.15	Commissioner – CESTAT
Central Excise Act, 1944	Excise	5.65	Asst. Commissioner – CESTAT
Central Excise Act, 1944	Excise	76.33	Addl. Commissioner – CESTAT
The Custom Act 1962	Custom	439.03	CESTAT (Mumbai)
Service Tax Act, 1994	Service Tax	3.09	Asst. Commissioner – CESTAT
Service Tax Act, 1994	Service Tax	0.66	Deputy Commissioner – CESTAT

- (viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as at the Balance sheet date.
- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under the section 133 of Act, read with Rule 7 of the companies (Accounts) Rule, 2014.
- (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.
- (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 any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(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, the provisions of Clause 3(xvi) of the order are not applicable to the Company.

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No. 101048W

R. D. Hangekar
Partner

Membership No: 30615

Place : Mumbai
Date : 30th May, 2016

Annexure 'B' to Independent Auditors' Report

Referred in paragraph 2(f) of the Independent Auditors' Report of even date to the members of The West Coast Paper Mills Limited on the financial statements for the year ended March 31, 2016.

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 The West Coast Paper Mills Limited ('the company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 controls 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 controls 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 'B' to Independent Auditors' Report (Contd.)

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 2016,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI

Place : Mumbai
Date : 30th May, 2016

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No. 101048W

R. D. Hangekar
Partner
Membership No: 30615

Balance Sheet as at 31st March, 2016

		(Amount in ₹ Lakhs)	
	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1,320.98	1,320.98
Reserves & Surplus	2.2	58,547.06	58,456.41
		59,868.04	59,777.39
Non-Current Liabilities			
Long Term Borrowings	2.3	41,916.84	39,606.52
Deferred Tax Liabilities (Net)	2.4	8,870.23	7,233.31
Other Long Term Liabilities	2.5	2,804.11	2,911.50
Long Term Provisions	2.6	409.58	423.97
		54,000.76	50,175.30
Current Liabilities			
Short Term Borrowings	2.7	22,111.93	30,128.43
Trade Payables	2.8	19,934.45	24,944.77
Other Current Liabilities	2.9	18,625.39	27,353.09
Short Term Provisions	2.10	1,233.78	147.50
		61,905.55	82,573.79
Total		1,75,774.35	1,92,526.48
ASSETS			
Non-Current Assets			
Fixed Assets	2.11		
Tangible Assets		1,05,987.47	1,14,650.56
Intangible Assets		11.09	18.49
Capital Work in Progress		335.17	230.05
		1,06,333.73	1,14,899.10
Non-current Investments	2.12	82.73	4,671.20
Long Term Loans & Advances	2.13	6,258.34	6,440.45
Other Non-current Assets	2.14	80.46	80.46
Current Assets			
Inventories	2.15	46,772.37	48,324.54
Trade Receivables	2.16	11,804.01	12,499.23
Cash & Cash Equivalents	2.17	1,262.19	1,313.34
Short Term Loans & Advance	2.18	1,877.56	1,806.37
Other Current Assets	2.19	1,302.96	2,491.79
		63,019.09	66,435.27
Total		1,75,774.35	1,92,526.48
Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.40		

As per our Report of even date

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W
R. D. Hangekar
Partner
Membership No: 30615
Place : Mumbai
Date : 30th May, 2016

For and on behalf of the Board

Chairman & Managing Director **S. K. Bangur**
Director **Shashi Devi Bangur**
Director **M. P. Taparia**
Director **Krishna Kumar Karwa**
Director **P. N. Kapadia**
Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**
Executive Director **Rajendra Jain**

Statement of Profit & Loss Account for the year ended 31st March, 2016

		(Amount in ₹ Lakhs)	
	Note	2016	2015
I. REVENUE FROM OPERATIONS	2. 20	1,70,004.18	1,64,837.01
II. Other Income	2.21	767.19	265.67
III. Total Revenue (I + II)		1,70,771.37	1,65,102.68
IV. EXPENSES			
Cost of Materials Consumed	2.22	1,00,937.41	1,01,169.72
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	2.23	4,184.27	1,999.26
Employee Benefits Expense	2.24	11,588.57	9,744.64
Finance Costs	2.25	7,121.10	6,984.80
Depreciation and Amortization expenses	2.11	11,081.12	12,220.09
Other Expenses	2.26	28,012.63	27,351.31
Total Expenses		1,62,925.10	1,59,469.82
V. Profit before exceptional and Extra Ordinary items and Tax (III - IV)		7,846.27	5,632.86
VI. Exceptional Items (Refer Sl. No.2.38 of Note on Financial Statements)		5,323.75	5,159.50
VII. Profit before Extra-ordinary items & Tax (V-VI)		2,522.52	473.36
VIII. Extra Ordinary items		-	-
IX. Profit Before Tax (VII - VIII)		2,522.52	473.36
X. Tax Expenses			
- Current Tax		597.94	-
- Less : MAT Credit Entitlement		(597.94)	-
- Deferred Tax		1,636.92	361.86
XI. Profit for the period from Continuing Operations (IX - X)		885.60	111.50
XII. Profit from Discontinuing Operations		-	-
XIII. Tax Expenses of Discontinuing Operations		-	-
XIV. Profit from discontinuing Operations (After Tax) (XII - XIII)		-	-
XV. Profit for the period (XI + XIV)		885.60	111.50
XVI. Earnings Per Share			
(1) Basic		1.34	0.17
(2) Diluted		1.34	0.17
Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.40		

As per our Report of even date

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W

R. D. Hangekar
Partner
Membership No: 30615
Place : Mumbai
Date : 30th May, 2016

For and on behalf of the Board

Chairman & Managing Director	S. K. Bangur
Director	Shashi Devi Bangur
Director	M. P. Taparia
Director	Krishna Kumar Karwa
Director	P. N. Kapadia
Director	Lt. Gen. (Retd.) Utpal Bhattacharyya
Executive Director	Rajendra Jain

Cash Flow Statement for the year ended 31st March, 2016

	(Amount in ₹ Lakhs)	
	2016	2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	2,522.52	473.36
Add : Adjustments for:		
Depreciation	11,081.12	12,220.09
Exceptional item (includes loss on sale of Investments of ₹ 4540.11 Lakhs)	5,323.75	5,159.50
Interest Expenses	7,121.10	6,708.99
Assets Discarded	5.30	0.44
Loss on Sale of Fixed Assets	0.13	-
Loss on Impairment of Asset	-	-
	26,053.92	24,562.38
Less : Adjustment for:		
Profit on Sale of Fixed Assets	-	62.24
Interest & Dividend Received	684.01	61.11
Operating Profit before Working Capital Changes	25,369.91	24,439.03
Add : Decrease in Working capital:		
Trade & Other Payables	-	-
Inventories	1,552.16	469.11
Trade & Other Receivables	2,614.74	7,024.41
	29,536.81	31,932.55
Less : Increase in Working capital:		
Trade & Other Payables	2,625.25	1,054.97
Inventories	-	-
Trade & Other Receivables	-	-
Cash Generated from Operations	26,911.56	30,877.58
Less : Direct Taxes Paid	619.77	41.17
Cash Flow before Extraordinary Items	26,291.79	30,836.41
Less : Exceptional Items	5,323.75	5,159.50
Less : Extraordinary items	-	-
Net Cash Flow in Operating Activities	20,968.04	25,676.91

Cash Flow Statement (Contd.) for the year ended 31st March, 2016

	(Amount in ₹ Lakhs)	
	2016	2015
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Add : Inflow :		
Sale of Fixed Assets / Subsidy	0.16	69.16
Interest Received	684.01	60.69
Dividend Received	-	0.42
Sale of Investment	4,588.48	-
	5,272.65	130.27
Less : Outflow :		
Purchase of Fixed Assets (including notional Exchange rate variation)	2,521.34	2,360.28
Purchase of Investment	-	-
	2,521.34	2,360.28
Net Cash Used in Investing Activities	2,751.31	(2,230.01)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Add : Proceeds from borrowings (including notional exchange rate variation)	11,129.95	4,184.81
Equity Share Capital including premium	-	-
	11,129.95	4,184.81
Less : Repayment of loans (including notional exchange rate variation)	27,779.35	19,749.99
Less : Interest paid	7,121.10	6,708.99
Less : Dividend and Dividend Tax Paid	-	772.74
Net Cash Used in Financing Activities	(23,770.50)	(23,046.91)
Net Increase/(Decrease) in Cash and Cash equivalents during the year	(51.15)	399.99
Cash & Cash Equivalents at the beginning of the year	1,313.34	913.35
Cash & Cash Equivalents at the end of the year	1,262.19	1,313.34

As per our Report of even date

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W
R. D. Hangekar
Partner
Membership No: 30615
Place : Mumbai
Date : 30th May, 2016

For and on behalf of the Board

Chairman & Managing Director **S. K. Bangur**
Director **Shashi Devi Bangur**
Director **M. P. Taparia**
Director **Krishna Kumar Karwa**
Director **P. N. Kapadia**
Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**
Executive Director **Rajendra Jain**

Accounting Policies for the year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements :

The financial statements of The West Coast Paper Mills Ltd., have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on the accrual basis. Indian GAAP comprises accounting standards notified by the Central Government of India under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Account) Rules 2014, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

The Company has prepared these financial statements as per the format prescribed in Schedule III to The Companies Act, 2013.

b. Use of Estimates :

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the

reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c. Fixed Assets :

Tangible Assets :

- Tangible Assets are stated at cost of acquisition (net of Cenvat and VAT wherever applicable) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.
- Assets under installation or under construction as at balance sheet date are shown as Capital work in progress together with project expenses.

Intangible Assets :

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion & impairment, if any.

d. Depreciation & Amortisation :

- The Company is providing depreciation on certain assets as per the Method & the rates as under :

Sl. No.	Particulars	Rate of Depreciation (%)
1.	Paper Machine	5.28 [SLM]
2.	Fibre lines, Power House, Soda Recovery Plant, Effluent Treatment Plant & Duplex Board Palnt	15.33 [WDV]
3.	Roads & Drainage	1.63 [SLM]
4.	OFC Plant & Machinery	10.34 [SLM]
5.	JFTC Plant & Machinery	15.33 [WDV]
6.	Coal Handling Plant	27.17 [SLM]
7.	Other Assets	
	a) Factory Buildings	10 [WDV]
	b) Non Factory Buildings	5 [WDV]
	c) Railway Siding, Construction Equipments, Air Conditioner & Refrigerators, Office Equipments, Weighing Machines	13.91 [WDV]
	d) Water Treatment Plant	15.33 [WDV]
	e) Furniture & Fittings	18.10 [WDV]
	f) Furniture & Fittings (special category)	25.88 [WDV]
	g) Computers & Computer Software	40 [WDV]
	h) Trucks & Vehicles	30 [WDV]
	i) Motor Car & Jeeps	25.89 [WDV]

Coal handling plant (S.No.6) has been identified as component and is being depreciated over its useful life. Other Assets (S.No.7) acquired / constructed on or after 01.04.2014 the depreciation is charged as per Schedule II of The Companies Act, 2013.

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

Accounting Policies (Contd.) for the year ended 31st March, 2016

e. Impairment of Assets :

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

f. Investments :

Current investments are carried at the lower of cost or quoted/ fair value, computed category-wise. Long term investments are stated at cost and provision is made for any diminution in such value, which is not temporary in nature.

g. Valuation of Inventories :

- Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.
- Work in process is valued at cost.
- Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.
- Stock of scrap is valued at realizable value.
- Standing crops intended for captive use are valued at the total amount of expenditure incurred comprising of material, labour, interest & overheads, less any incidental revenue realized.

h. Revenue recognition :

- Turnover is recognized when goods are dispatched to customers and are adjusted for Discounts (net), Sales Tax/ VAT and foreign exchange differences. Turnover is inclusive of Excise Duty and exclusive of goods returned.
- Export Incentive Scheme Benefits are recognized on accrual basis.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

i. Research and Development Expenditure :

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

j. Employee Benefits :

- Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is

not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account of interest, if any, is recognized in the Profit and Loss account.

- Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged to the Profit and Loss account on accrual basis.
- Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

k. Foreign Currency Transactions :

- Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.
- Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Profit & Loss account.
- Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets.

l. Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets upto the date when they are ready for their intended use and other borrowing costs are charged to Profit & Loss account.

m. Taxation :

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

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

n. Contingent Liabilities :

Claims against the Company not acknowledged as debts are treated as Contingent Liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

Notes on Financial Statements for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.1 SHARE CAPITAL

	2016	2015
Authorised		
15,00,00,000 Equity Shares of ₹ 2 each	3,000.00	3,000.00
65,00,000 Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each	6,500.00	6,500.00
	9,500.00	9,500.00
Issued, Subscribed and Paid up		
6,60,48,908 Equity Shares of ₹ 2 each Fully paid-up	1,320.98	1,320.98
Total	1,320.98	1,320.98

Notes :

[a] Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

Particulars	Equity Shares			
	As at 31st March 2016		As at 31st March 2015	
	Number	Amount in ₹ Lakhs	Number	Amount in ₹ Lakhs
Shares outstanding at the beginning of the year	66,048,908	1,320.98	66,048,908	1,320.98
Shares issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Redemption of Shares	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	66,048,908	1,320.98	66,048,908	1,320.98

[b] Rights, Preferences & Restrictions attached to Equity Shares

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

[c] Shares in the Company held by each Shareholder holding more than 5% Shares

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
(1) Veer Enterprises Pvt Ltd.,	10,597,100	16.04	10,597,100	16.04
(2) Shree Satyanarayan Investment Co. Ltd.	10,312,973	15.61	10,312,973	15.61
(3) Reliance Capital Trustee Co. Ltd. A/c Reliancesmall Cap Fund	3,398,707	5.15	528,140	0.80

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.2 RESERVES AND SURPLUS	2016	2015
Capital Redemption Reserve	6,500.00	6,500.00
Securities Premium Reserve	14,572.54	14,572.54
Equity Share Warrants Forfeited	277.50	277.50
General Reserve		
Balance at commencement of the year	36,934.35	36,934.35
Transferred to/from Profit & Loss Account	-	-
	36,934.35	36,934.35
Surplus in Statement of Profit & Loss		
As per Last Balance Sheet	172.02	60.52
Transfer from General Reserve	-	-
Net Profit/(Loss) for the year	885.60	111.50
Amount available for appropriation	1,057.62	172.02
Appropriations:		
Proposed Dividend on Equity Shares	660.49	-
Tax on Proposed Dividend	134.46	-
Transferred to General Reserve	-	-
Closing Balance	262.67	172.02
Total	58,547.06	58,456.41

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.3 LONG TERM BORROWINGS			
		2016	2015
a) Secured Loans			
i) Term Loans from Banks:			
IDBI Bank Ltd., (Payable from 01.06.2014 in 24 Equal monthly instalments)		-	208.33
IDBI Bank Ltd., (Payable from 01.10.2014 in 24 Equal monthly instalments)		-	625.00
Axis Bank Ltd., (Payable from 20.06.2016 in 24 Equal monthly instalments)		4,375.00	7,500.00
State Bank of Mysore (Plantation) (Repayable ₹ 15 Crores on 31.12.2017 ₹ 10 Crores on 31.12.2018 & ₹ 7.85 Crores on 31.12.2019)		3,285.00	3,285.00
ii) Term Loans from Financial Institutions:			
International Finance Corporation [IFC, Washington, DC] (Payable from 15.07.2011 in 17 Equal Half Yearly Instalments)		7,794.12	10,292.47
IFCI Ltd., (Payable from 30.12.2016 in 54 monthly Instalments)		11,129.95	-
		26,584.07	21,910.80
b) Unsecured Loans			
i) From Banks			
Yes Bank Ltd., (Repayable ₹ 15 Crores on 31.12.2014, ₹ 7.75 Crores on 31.12.2015 & ₹ 12.25 Crores on 31.12.2016)		-	1,225.00
ii) From Others			
Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka (Refer Note 2.9 for current maturities of secured & unsecured loans)		15,332.77	16,470.72
		15,332.77	17,695.72
Total		41,916.84	39,606.52

- Loan of ₹ 25 Crores from IDBI Bank Ltd., (₹ Nil excluding current maturities) is secured by second charge on movable fixed assets whereas Loan of ₹ 25 Crores (₹ Nil excluding current maturities) is secured by current assets on pari-passu basis.
- Loan of ₹ 75 Crores from Axis Bank Ltd., (excluding ₹ 31.25 Crores being current maturities) is secured by second charge on movable fixed assets both present and future.
- Loan from State Bank of Mysore is secured by second charge on plant and machinery acquired / to be acquired under the project.
- Term loan from IFC, Washington is secured by way of hypothecation on all movable fixed assets both present and future and are secured by equitable mortgage of immovable assets, both present and future on pari-passu basis.
- Loan of ₹ 125 Crores from IFCI Ltd., (excluding ₹ 9.26 Crores being current maturities) is secured by way of hypothecation on all movable fixed assets both present and future and are secured by equitable mortgage of immovable assets, both present and future on pari-passu basis (excluding land and building at Dandeli). This loan has been refinanced from Standard Chartered Bank on 6th April, 2016.
- Interest free loan under Sales Tax Defferal Scheme availed from August 1994 to July 2006 of ₹ 66.88 Crores is being repaid in 12 installments of ₹ 5.57 Crores payable yearly starting from August 2006. (Balance outstanding - ₹ 5.57 Crores excluding current maturities).
Interest free loan under Sales Tax Defferal Scheme availed from June 2002 to June, 2014 of ₹ 160.98 Crores is being repaid in 12 installments on a year to year basis from 2014 to 2025. (Balance outstanding - ₹ 147.75 Crores excluding current maturities).
- There is no default in repayment of loans and interest.

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.4 DEFERRED TAX LIABILITIES (NET)		
	2016	2015
a) Deferred tax liability on account of Depreciation	14,378.21	14,011.62
b) Deferred tax asset on account of		
- Carried forward of unabsorbed depreciation	4,077.30	6,494.26
- Disallowances under section 43B of Income Tax Act	383.18	284.05
- Long term Capital loss carried forward	1,047.50	-
Total	8,870.23	7,233.31

2.5 OTHER LONG TERM LIABILITIES		
Dealer Deposits	2,792.77	2,894.52
Others - Employee Security Deposit	11.34	16.98
Total	2,804.11	2,911.50

2.6 LONG TERM PROVISIONS		
Provision for Employee Benefits	409.58	423.97
Total	409.58	423.97

CURRENT LIABILITIES

2.7 SHORT TERM BORROWINGS		
Secured		
Loan repayable on demand from banks	21,125.63	29,150.30
Note: The working capital facilities from Banks are secured by Joint Hypothecation of Stores, Spares, Raw Materials, Stock-in-Process, Finished Goods, Book Debts etc., ranking pari-passu interse		
Unsecured		
Loan repayable on demand from banks	986.30	978.13
Total	22,111.93	30,128.43

Note : There is no default in repayment of loans and interest.

2.8 TRADE PAYABLES		
Principal amount of dues, Micro, Small & Medium Enterprises as at 31st March, 2016 is ₹ 154.28 lacs (₹ 139.17 lacs) and interest paid or payables is ₹ Nil (₹ Nil)	19,934.45	24,944.77
Total	19,934.45	24,944.77

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.9 OTHER CURRENT LIABILITIES

	2016		2015	
Current maturities of long-term debts (refer Note 2.3)		10,364.73		21,307.95
Interest accrued but not due on Borrowings		169.32		311.09
Unpaid Dividends		44.13		57.99
Creditors for Capital Expenditure		127.62		157.89
Accrued salaries and benefits		2,596.15		1,399.37
Other liabilities				
- Statutory Dues	1,536.53		1,556.59	
- for Expenses	1,701.08		1,267.75	
- Others	2,085.83	5,323.44	1,294.46	4,118.80
Total		18,625.39		27,353.09

2.10 SHORT TERM PROVISIONS

Provision for Employees benefits (refer Note-1)		438.83		147.50
Proposed Dividends (refer Note-2)		660.49		-
Tax on Proposed Dividends (refer Note-2)		134.46		-
Total		1,233.78		147.50
Note :				
1) Gratuity is funded, hence provision is made for shortfall as on 31-03-2016 of ₹ 53.76 lacs (Previous Year - ₹ 97.34 lacs)				
2) The Board of Directors have recommended dividend @ ₹ 1/- per share for the year ended 31-03-2016 (₹ Nil per share for the year ended 31-03-2015)				
Total		61,905.55		82,573.79

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.11 FIXED ASSETS (Annexed to and forming part of the Balance Sheet as at 31st March, 2016) Note : 2.11

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET DEPRECIATED BLOCK	
	As at 1.4.15	Additions	Sales/ Adjustments	As at 31.3.2016	As at 01.04.15	For the year	Deductions/ Adjustments	As at 31.3.2016	As at 31.3.2016	As at 31.3.2015
[A] TANGIBLE ASSETS										
Land – Leasehold	156.11	–	–	156.11	–	–	–	–	156.11	156.11
– Freehold	61.61	–	–	61.61	–	–	–	–	61.61	61.61
Factory Buildings	18,507.12	45.67	–	18,552.79	8,684.09	959.03	–	9,643.12	8,909.67	9,823.03
Non-Factory Buildings	1,208.61	37.52	–	1,246.13	692.69	25.91	–	718.60	527.53	515.92
Roads and Drainage	713.86	10.24	–	724.10	72.61	11.72	–	84.33	639.77	641.25
Plant and Machinery	1,82,312.85	2,171.87	80.60	1,84,404.12	80,081.21	9,851.86	75.30	89,857.77	94,546.35	1,02,231.64
Plant and Machinery [Leased]	644.41	–	–	644.41	644.41	–	–	644.41	–	–
Railway Siding	303.08	–	–	303.08	161.14	19.74	–	180.88	122.20	141.94
Effluent Treatment Plant	2,081.06	19.07	–	2,100.13	1,345.05	113.06	–	1,458.11	642.02	736.01
Construction Machinery and Equipments	4.49	19.67	–	24.16	4.04	0.47	–	4.51	19.65	0.45
Water Treatment Plant	46.29	–	–	46.29	46.24	0.01	–	46.25	0.04	0.05
Furniture, Fittings and Airconditioners	344.12	18.21	0.25	362.08	216.16	19.35	0.15	235.36	126.72	127.96
Trucks & Vehicles	461.53	48.98	–	510.51	368.30	31.82	–	400.12	110.39	93.23
Office Equipments	503.96	43.19	0.95	546.20	390.32	40.10	0.76	429.66	116.54	113.64
Electric Installations	22.65	1.80	–	24.45	15.02	0.64	–	15.66	8.79	7.63
Fire Fighting Equipments	6.78	–	–	6.78	6.69	0.01	–	6.70	0.08	0.09
TOTAL	2,07,378.53	2,416.22	81.80	2,09,712.95	92,727.97	11,073.72	76.21	1,03,725.48	1,05,987.47	1,14,650.56
[B] INTANGIBLE ASSETS										
Computer Software	325.61	–	–	325.61	307.12	7.40	–	314.52	11.09	18.49
TOTAL	2,07,704.14	2,416.22	81.80	2,10,038.56	93,035.09	11,081.12	76.21	1,04,040.00	1,05,998.56	1,14,669.05
Capital work-in-progress									335.17	230.05
TOTAL									1,06,333.73	1,14,899.10
Previous Year	2,05,140.15	2,622.43	58.44	2,07,704.14	80,866.08	12,220.09	51.08	93,035.09	1,14,899.10	1,24,766.27

Note :

- Buildings are constructed on leasehold land for which the Company pays only ground rent except Non-factory buildings worth ₹ 188.03 Lakhs (₹ 188.03 Lakhs) being the cost of ownership premises.
- Leasehold Land represents the amount paid to Karnataka Industrial Area Development Board (KIADB), Bangalore against allotment of land at Kesaroli Village, Haliyal on Lease-cum-sale basis.
- During the current year, foreign exchange fluctuation loss amounting to ₹ 1037.59 Lakhs (Previous Year ₹ 941.85 Lakhs) has been capitalized to the block of Plant & Machinery pursuant to notification No.G.S.R. 913 (E) dated 29.12.2011, applicable upto March 31, 2020. Notional exchange rate variation capitalised till 31.03.2016 is ₹ 4329.50 Lakhs.
- The Company has not incurred any capital expenditure for Research & Development during the year (Previous Year - NIL).

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.12 NON CURRENT INVESTMENTS

		2016	2015
Long term at cost, unless otherwise specified			
a) Investment in Equity Instruments			
TRADE INVESTMENTS			
Quoted			
542,399 Equity Shares of ₹ 10 each of Jayashree Chemicals Ltd.	94.96		94.96
Less : Provision for Dimunition in value of investments [Refer Note No.2.38 (c)]	(47.61)	47.35	-
– Equity Shares of ₹10 each of Shree Rama Newsprint Ltd. [Previous year 21124791 shares] (Associate upto 26.08.2015)		-	4,540.86
Total [A]		47.35	4,635.82
Unquoted Listed			
40,16,680 Equity Shares of ₹ 10 each of Fort Gloster Industries Ltd.,		-	-
Unlisted			
20,943 Equity Shares of ₹ 10 each of Kilkotagiri and Thirumbadi Plantations Ltd., (Earlier known as The Thirumbadi Rubber co Ltd)		35.27	35.27
18,50,130 Equity Shares of ₹ 10 each of Speciality Coatings & Lamination Ltd (Associate)		-	-
37 Equity Shares of ₹ 100 each of Placid Limited		0.01	0.01
Total [B]		35.28	35.28
OTHER INVESTMENTS			
b) Investments in Government or Trust Securities			
6 Year National Savings Certificate		0.10	0.10
Total [C]		0.10	0.10
Total Investment - Net (A+B+C)		82.73	4,671.20
Aggregate amount of quoted investments		94.96	4,635.82
Aggregate market value of quoted investments		39.81	1,286.77
Aggregate amount of unquoted investments		35.28	35.28
Aggregate provision for dimunition in value of investment		47.61	-

2.13 LONG TERM LOANS & ADVANCES

Unsecured, Considered good		
Security Deposits with Electricity Board	175.40	171.26
Loans & Advances to Related Parties	-	806.02
MAT Credit Entitlement	4,198.29	3,600.36
Advance Tax/Tax paid at source (net of provision)	1,884.65	1,862.81
Total	6,258.34	6,440.45

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.14 NON CURRENT ASSETS

	2016	2015
Deposits with State Forest Department	30.46	30.46
Deposits with Customs	50.00	50.00
Total	80.46	80.46

CURRENT ASSETS

2.15 INVENTORIES

Raw materials (at weighted average cost)	26,012.64	22,201.24
Raw materials in transit	1.44	1,424.39
Work-in-progress (at cost)	580.35	653.41
Finished Goods (at cost)	4,381.23	8,268.35
Finished Goods in transit	84.74	219.14
Stores and Spares (at weighted average cost)	15,474.06	15,228.45
Loose Tools (at cost)	211.06	200.25
Stock of Scrap (at realisable value)	26.85	129.31
Total	46,772.37	48,324.54

2.16 TRADE RECEIVABLES

Unsecured Considered Good		
Over Six months	2,645.43	1,160.35
Others	9,158.58	11,338.88
Total	11,804.01	12,499.23

2.17 CASH & CASH EQUIVALENTS

a) Balances with banks		
In current Account	594.59	636.48
b) Cash on hand	16.53	33.43
c) Other Bank balances		
In Fixed Deposit Account		
- Against Margin Deposit with Banks	596.69	566.69
- In Employees Security Deposit	10.25	18.75
- In Unpaid Dividends Account (refer note 1)	44.13	57.99
Total	1,262.19	1,313.34

Note:

There are no amounts due for payment to the Investors Education and Protection Fund under Sec. 205C of the Companies Act, 1956 at the year end. Section 125 of Companies Act, 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been notified.

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.18 SHORT TERM LOANS & ADVANCES			
	2016		2015
Unsecured, Considered good			
Prepaid Expenses		129.11	159.54
Advances to Suppliers (considered good)		1,102.95	1,048.25
Loans & Advances to Employees		41.52	33.61
Deposits		389.10	409.68
Others		214.88	155.29
Total		1,877.56	1,806.37
2.19 OTHER CURRENT ASSETS			
Balance with Government Authorities		1,302.96	2,491.79
		1,302.96	2,491.79
Total		63,019.09	66,435.27
2.20 REVENUE FROM OPERATIONS			
Sales of products			
Paper and Board		1,71,336.71	1,64,368.42
Cables		8,595.55	10,316.11
Wind Power		21.09	30.52
Other operating revenues			
Sale of Fly Ash	32.74		31.24
Sale of scrap	472.70	505.44	599.28
		1,80,458.79	1,75,345.57
Less : Excise Duty		(10,454.61)	(10,508.56)
Total		1,70,004.18	1,64,837.01
2.21 OTHER INCOME			
Interest Income		684.01	60.69
Dividend Income		-	0.42
Other Non-operating income (net)			
- Profit on sale of fixed assets		-	62.24
- Other Income		83.18	142.32
Total		767.19	265.67
2.22 COST OF MATERIALS CONSUMED			
Pulp Wood, Pulp & Waste Paper		75,402.37	73,905.45
Chemicals & Dyes		20,441.62	22,693.59
Packing Materials		5,093.42	4,570.60
Total		1,00,937.41	1,01,169.64

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE			
	2016		2015	
Opening Stock of Finished Goods				
- Paper and Board	8,476.27		10,136.44	
- O.F.C. Cables etc.	11.22	8,487.49	4.43	10,140.87
Closing Stock of Finished Goods				
- Paper and Board	4,106.91		8,476.27	
- O.F.C. Cables etc.	0.33	4,107.24	11.22	8,487.49
	4,380.25			1,653.38
Opening Stock of Work-in-process	653.41		1,103.10	
Closing Stock of Work-in-process	580.35	73.06	653.41	449.69
	73.06			449.69
Variation in Excise Duty on Opening & Closing Stock of Finished Goods		(269.04)		(103.81)
Total	4,184.27			1,999.26

2.24	EMPLOYEE BENEFIT EXPENSE			
Salaries, Wages and Bonus		9,938.85		8,066.88
Contribution to Provident & Other Funds:				
- Provident & Family Pension Funds		605.78		568.92
- Employees State Insurance		15.99		35.52
- Gratuity Fund		296.82		284.22
- Superannuation Fund		29.57		15.61
- Employees Group Insurance		19.26		14.11
- Leave Encashment		(14.39)		30.03
- Staff Welfare Expense		696.69		729.35
Total		11,588.57		9,744.64

2.25	FINANCE COSTS			
Interest Expense :				
- Term Loans		3,030.75		2,348.44
- Others (Net)		3,547.53		4,022.87
Other borrowing costs		166.54		337.68
Applicable Net Loss on foreign currency transactions & translation		376.28		275.81
Total		7,121.10		6,984.80

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.26 OTHER EXPENSES	2016		2015	
Consumption of Stores & Spare Parts		4,887.09		5,180.40
Power & Fuel		15,282.82		15,692.72
Water Charges & Cess		57.83		58.07
Rent		202.27		188.32
Repairs and Maintenance :				
- Buildings		859.26		901.47
- Plant and Machinery		1,180.93		1,030.92
- Other Assets		218.91		207.25
Insurance		111.49		159.14
Rates & Taxes		45.58		29.19
Research & Development Expenses		44.90		47.35
Miscellaneous Expenses		1,527.15		1,107.41
Payments to Auditors :				
- As Auditors	14.00		14.00	
- For limited review under listing agreement	1.50		1.50	
- for Taxation Matters	4.50		4.50	
- For Other Services	6.78		1.57	
- Reimbursement of Expenses	4.33	31.11	2.27	23.84
Cost Auditor's Remuneration & Expenses		1.50		0.05
Forwarding Charges on Sales		2,032.37		1,734.87
Commission on Sales		1,108.73		909.13
Bad Debts irrecoverable advance W/off		27.41		-
Commission to Director		276.37		-
Directors Fees & Expenses :				
- Sitting Fees	4.54		3.50	
- Travelling Expenses	19.99	24.53	27.32	30.82
Charity & Donation		40.60		34.20
Corporate Social Responsibility Expenses		12.49		15.72
Swach Bharat Cess		33.86		-
Obsolete Assets Written Off		5.30		0.44
Loss on Sale of Fixed Assets		0.13		-
Total		28,012.63		27,351.31

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.27	CONTINGENT LIABILITIES AND COMMITMENTS	2016	2015
I.	Contingent Liabilities & Commitments		
a.	Guarantees Issued by Banks	4,425.57	3,150.19
b.	Letters of Credit outstanding	3,373.50	13,807.09
c.	Corporate guarantees given to the Banks & Institutions on behalf of Shree Rama Newsprint Limited. (Associate company upto 26.08.15) [Refer Note 2.38(a)]	-	24,625.00
II.	Claims against the Company not acknowledged as debts in respect of		
a.	Income tax matters, pending decisions on various appeals made by the Company and by the Department (refer notes below)	271.18	468.50
b.	Excise matters & Service Tax under dispute	90.88	82.32
c.	Custom matter under dispute	439.03	439.03
d.	Sales Tax matter, under dispute	30.66	30.66
e.	Other matters, under dispute	2,100.00	2,100.00
III.	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance)	845.83	4,171.12

Notes :

- The Income tax assessments of the Company have been completed up to AY 2012-13. The assessment for AY 2013-14 will be completed pursuant to the provisions of Domestic Transfer price regulations.
- As a result of favourable orders of Income Tax Appellate Tribunal for past assessment years, the Company has received refund order of income tax and interest aggregating to ₹ 17.02 crores. Accordingly the interest amount of ₹ 6.08 crores included in the refund has been accounted in the current year.
- The Company and the Income Tax Department are in appeal before the appellate authorities in respect of various years. Since most of the issues raised in these years are already covered by the decision of Hon'ble Income Tax Appellate Tribunal in Company's favour, the Company has been legally advised that the demands are likely to be either deleted or substantially reduced in the appeals before Appellate Authorities and in view of this, the Company has decided to adjust the excess/short provision, if any, after the appeals are disposed off.
- The Company and the Income Tax Department are in appeal before the High Court of Bombay on various grounds decided by the Income Tax Appellate Tribunal. The Company has therefore not recorded adjustment of taxes/orders in the books.

2.28	EARNINGS PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20	2016	2015
Earnings			
Net Profit after Tax		885.60	111.50
Shares			
Number of shares at the beginning of the period		6,60,48,908	6,60,48,908
Add : Shares issued during the period		-	-
Total number of equity shares outstanding at the end of the period		6,60,48,908	6,60,48,908
Weighted average number of equity shares outstanding during the period		6,60,48,908	6,60,48,908
Earnings per share of par value ₹ 2 - Basic (₹)		1.34	0.17
- Diluted (₹)		1.34	0.17

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.29 RELATED PARTY DISCLOSURES as per Accounting Standard 18

I. Relationship :

a. Associate Company

- 1) Fort Gloster Industries Ltd., Kolkata (FGI)
- 2) Speciality Coatings and Laminations Ltd
- 3) Shree Rama Newsprint Limited (Up to 26.08.15)

b. Enterprises where principal shareholders have control

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investment Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust

c. Key Management Personnel represented on the Board

- 1) Shri S. K. Bangur, Chairman & Managing Director
- 2) Shri Rajendra Jain (Executive Director w.e.f 01.12.2015)
- 3) Shri K. L. Chandak (Executive Director upto 30.11.2015)
- 4) Shri P. K. Mundra (President – Finance & Company Secretary upto 10.12.2015)

d. Relative of Key Management Personnel

- 1) Shri Virendraa Bangur

e. Non-Executive/Independent Directors on the Board

- 1) Shri Saurabh Bangur
- 2) Smt Shashi Devi Bangur
- 3) Shri P. N. Kapadia
- 4) Lt. Gen. [Retd.] Utpal Bhattacharyya
- 5) Shri Krishna Kumar Karwa
- 6) Shri M. P. Talaria
- 7) Shri Amitav Kothari (w.e.f 12.02.2016)

II. The following is a summary of related party transactions

	As at March 31, 2016	As at March 31, 2015
i. (a) Rent paid to :		
1) Veer Enterprises Ltd.	43.01	30.00
2) Shree Satyanarayan Investment Company Ltd.	40.00	36.00
3) Siddhi Trade & Holdings Pvt. Ltd.	14.52	14.74
ii. Charity & Donations :		
1) Rangnath Bangur Charitable Trust	30.60	30.20
2) Shree Rama Trust	10.00	-
iii. Remuneration to Key Management Personnel :		
1) Shri Rajendra Jain (Executive Director w.e.f 01.12.2015)	74.62	-
2) Shri KL Chandak (Executive Director upto 30.11.2015)	210.20	174.40
3) Chairman & Managing Director	355.51	79.14
4) President – Finance & Company Secretary (upto 10.12.2015)	43.66	27.11
iv. Interest received from :		
1) Speciality Coatings and Laminations Ltd (net of TDS)	-	32.02
v. Transactions with Shree Rama Newsprint Limited (SRNL) :		
1) Services rendered towards deputation of Employees	23.79	-
2) Reimbursement made for Consultancy charges paid on behalf of company	15.00	-
3) Amount received as repayment of ICD	70.00	-
vi. Remuneration to Shri Virendraa Bangur	25.01	19.97

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

III. The Company has the following amounts due to/from related parties :

	As at March 31, 2016	As at March 31, 2015
i. Due from related Parties		
1) Shree Rama Newsprint Limited (SRNL)	12.06	70.00
2) Veer Enterprises Ltd.	1.05	1.05
3) Shree Satyanarayan Investment Company Ltd.	6.60	6.60
4) Speciality Coatings and Laminations Ltd.	-	763.43
ii. Due to related parties		
1) Shree Rama Newsprint Limited (SRNL)	1.80	1.80

2.30 RAW MATERIALS CONSUMED DURING THE YEAR

A. PAPER :		
Wood	65,941.49	63,693.05
Waste Paper cuttings, wood pulp etc.,	4,382.09	5,226.99
B. CABLE :		
Optical Fibre	1,896.11	1,820.37
Steel Tape	332.70	315.78
Other allied inputs	2,849.98	3,157.15
Total	75,402.37	74,213.34

Other allied inputs include items which do not individually exceed 10% of total consumption.

2.31 DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED

	2016		2015	
	₹ in Lakhs	% of total consumption	₹ in Lakhs	% of total consumption
Raw Materials				
Imported	46,307.04	61.41	40,101.59	54.04
Indigenous	29,095.33	38.59	34,111.75	45.96
	75,402.37	100.00	74,213.34	100.00
Stores, chemicals, spares and packing materials				
Imported	3,678.00	12.09	3,245.65	10.00
Indigenous	26,744.13	87.91	29,208.26	90.00
	30,422.13	100.00	32,453.91	100.00

2.32 CIF VALUE OF IMPORTS

	2016	2015
Raw Materials	47,825.73	31,312.92
Components & Spare Parts	3,042.70	2,370.64
Capital Goods	209.24	224.98
Total	51,077.67	33,908.54

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.33 EARNINGS IN FOREIGN CURRENCY		
	2016	2015
Export on FOB/CIF/CFR basis	3,399.50	2,864.35
2.34 EXPENDITURE IN FOREIGN CURRENCY		
Travelling	10.91	25.92
Interest	533.94	1,156.28
Others	77.38	18.46
Total	622.23	1,200.66
2.35 EMPLOYEE BENEFIT PLANS		
	2016	2015
As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :		
[A] Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :		
Employer's Contribution to Provident Fund/Pension Fund	585.16	568.92
Employer's Contribution to Superannuation Fund	29.57	15.61
[B] Defined Benefit Plan		
The following table sets out the status of the Gratuity Plan as required under AS-15 (Revised).		
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening defined benefit obligation	2,490.46	2,265.39
Current Service cost	119.37	101.09
Interest Cost	197.24	211.82
Benefits paid	(593.62)	(372.10)
Actuarial losses/(gain)	108.79	284.26
Obligations at the end of the period	2,322.24	2,490.46
Change in Plan Assets		
Opening fair value of plan assets	2,490.46	2,164.40
Expected return on plan assets	197.24	190.47
Actuarial gain/(Losses)	(68.67)	223.48
Contributions by employer	296.82	284.22
Benefits paid	(593.62)	(372.10)
Closing fair value of plan assets	2,322.24	2,490.46
Amount recognized in Balance Sheet		
Present value of funded obligations	2,322.24	2,490.46
Fair value of plan assets	2,322.24	2,490.46
Net asset/(liability)	-	-
Expense recognised in statement of Profit and Loss Account		
Current service cost	119.37	101.09
Interest Cost	197.24	211.82
Expected return on plan assets	(197.24)	(190.47)
Net Actuarial losses/(gain) recognized	177.45	161.78
Amount included in Employee Benefit Expense	296.82	284.22

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

2.35 EMPLOYEE BENEFIT PLANS

	2016	2015
Category of Plan Assets		
GOI Securities	-	0.14
LIC	55.91	57.33
PSU/State Government Securities	1.91	3.17
ICICI Prudential Life Insurance	42.18	39.36
Financial assumptions at the valuation date		
Discounted rate %	7.95	7.92
Estimated rate of Return on plan assets %	7.95	7.92
Salary escalation over & above highest of salary in grade %	1.00	1.00

2.36 DIVIDEND REMITTANCE IN FOREIGN CURRENCY

	2016	2015
Number of non-resident shareholders	-	154
Number of shares held by them on which dividend was paid	-	3,60,804
Amount remitted - net of tax (₹ lacs)	-	3.61

2.37 SEGMENT INFORMATION

Pursuant to Accounting Standard 17 - Segment Reporting, information about Business Segments (Information provided in respect of revenue items for the year ended 31.03.2016 and in respect of assets / liabilities as at 31.03.2016 is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Particulars	Paper		Cables		Others		Unallocable		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Segment Revenue										
Gross Turnover	1,71,842.16	1,64,998.95	8,595.55	10,316.11	21.09	30.52	-	-	1,80,458.80	1,75,345.58
Less : Excise Duty	9,515.17	9,387.29	939.45	1,121.27	-	-	-	-	10,454.62	10,508.56
Net Turnover	1,62,326.99	1,55,611.66	7,656.10	9,194.84	21.09	30.52	-	-	1,70,004.18	1,64,837.02
Segment result before Interest and Taxes	8,099.03	5,570.66	859.77	1,835.04	0.82	(8.23)	-	-	8,959.62	7,397.47
Less : Interest Expenses	-	-	-	-	-	-	7,121.10	6,984.80	7,121.10	6,984.80
Add : Interest Income	-	-	-	-	-	-	684.00	60.69	684.00	60.69
Profit before Tax	8,099.03	5,570.66	859.77	1,835.04	0.82	(8.23)	(6,437.10)	(6,924.11)	2,522.52	473.36
Current Tax	-	-	-	-	-	-	597.94	-	597.94	-
MAT Credit	-	-	-	-	-	-	(597.94)	-	(597.94)	-
Deferred Tax	-	-	-	-	-	-	1,636.92	361.86	1,636.92	361.86
Profit After Tax	8,099.03	5,570.66	859.77	1,835.04	0.82	(8.23)	(8,074.02)	(7,285.97)	885.60	111.50

Notes on Financial Statements (Contd.) for the year ended 31st March, 2016

(Amount in ₹ Lakhs)

Particulars	Paper		Cables		Others		Unallocable		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Other Informations										
Segment Assets	1,69,026.79	1,87,276.26	6,683.82	5,177.26	63.75	72.96	-	-	1,75,774.36	1,92,526.48
Segment Liabilities	1,14,088.49	1,31,662.78	1,027.08	1,086.31	-	-	-	-	1,15,115.57	1,32,749.09
Capital Expenditure	3,660.02	2,360.28	-	-	-	-	-	-	3,660.02	2,360.28
Depreciation/ Amortisation	11,000.22	12,146.20	71.68	64.66	9.21	9.23	-	-	11,081.11	12,220.09
Non Cash Expenses other than depreciation/ amortisation	-	-	-	-	-	-	-	-	-	-

2.38 Exceptional items represents :

- (a) The Company had entered into Share Purchase Agreement with Riddhi Siddhi Gluco Biols Ltd., ("Acquirer") on 21.05.2015 for sale of its Long Term Investments of 2,11,24,791 equity shares of Shree Rama Newsprint Ltd., for ₹ 0.75 lacs against book value of ₹ 4540.86 lacs subject to release of Corporate Guarantees of ₹ 24625.00 lacs given to various banks by the Company and the Acquirer complying with the requirement of the Open Offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any other statutory approval. The transaction was completed on 26.08.2015 and accordingly loss of ₹ 4540.11 lacs has been accounted in the current financial year.
- (b) Amount recoverable from Speciality Coatings and Laminations Ltd (SPCL) of ₹ 736.02 lacs comprising of payments made to a bank towards invocation of Corporate Guarantee of ₹ 362.22 lacs and ICD alongwith interest of ₹ 373.80 granted has been written off during the financial year.
- (c) The Company has provided for diminution in the value of its long term trade investments in Jayashree Chemicals Ltd of ₹ 47.61 lacs as there has been substantial reduction in the market value of these investments, which is permanent in nature.

2.39

Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement of ₹ 4266.18 lacs (Current Year ₹ 597.94 – Previous year ₹ Nil) has been recognized.

2.40

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration No. 101048W
R. D. Hangekar
Partner
Membership No: 30615
Place : Mumbai
Date : 30th May, 2016

For and on behalf of the Board

Chairman & Managing Director **S. K. Bangur**
Director **Shashi Devi Bangur**
Director **M. P. Taparia**
Director **Krishna Kumar Karwa**
Director **P. N. Kapadia**
Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**
Executive Director **Rajendra Jain**

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