

Madhya Bharat Papers Limited

Board of Directors

Shri Raghuvansh Lal Kapur
Smt. Deepa Maheshwari
Shri Abhas Sen
Shri Jaydeep Chitlangia
(*Managing Director*)
Shri Vinod Kumar Khanna
(*Executive Director &
Company Secretary*)

Chief Financial Officer

Shri Jagdish Dua

Auditors

G.P. Agrawal & Co.
Chartered Accountants

Principal Banker

State Bank of India

Regd. Office and Mills

Village Birgahni
Rly. & Post Champa-495 671
Dist. Janjgir-Champa
Chhattisgarh
L21012CT1980PLC001682

Corporate Office

113, Park Street
4th Floor, North Block,
Kolkata-700 016



MADHYA BHARAT PAPERS LIMITED

Regd. Office: Village Birgahni, Rly & Post Champa-495 671, Dist. Janjgir-Champa, Chhattisgarh

CIN: L21012CT1980PLC001682, Tel: 09203906288

E-mail: info@mbpl.in Website: www.mbpl.in

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of **MADHYA BHARAT PAPERS LIMITED** will be held at the Registered Office of the Company at Village Birgahni, Rly & Post Champa-495 671, Dist. Janjgir-Champa (Chhattisgarh) on **Thursday, the 26th September, 2019 at 11.00 A.M.** to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt Deepa Maheshwari (DIN: 00550697) who retires by rotation and being eligible, offers herself for re-appointment.

Special Business

3. **Re-appointment of Shri Jaydeep Chitlangia (DIN: 00094002) as Managing Director of the company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to Sections 196, 197, 203 read with Schedule – V and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, Mr. Jaydeep Chitlangia be and is hereby re-appointed as Managing Director of the Company for the period 1st April, 2019 to 31st March, 2022, on the following terms and conditions:

a) Salary: ₹ 2,80,000 per month.

b) Perquisites:

PART – A

i. Medical Benefits: Reimbursement of medical expenses (including medical insurance) for himself and his family subject normally to a ceiling of one month's salary in a year or three months' salary over a period of three years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for himself and his family may be reimbursed on actual basis subject to approval by the Nomination and Remuneration Committee.

ii. Leave Travel Concession: For self and family as per Company's Rules once in a year.

iii. Personal Accident Insurance: As per rules of the Company, premium not to exceed ₹ 5,000/- per annum.

iv. Club Fees: Fees of Clubs subject to a maximum of two Clubs excluding the admission fee.

PART – B

v. Company's contribution towards Superannuation Fund: Such contribution shall not exceed 15% of the salary or such other rate as may be laid down in the Income Tax Rules, 1962 from time to time.

vi. Gratuity: Not exceeding 15 days' salary for each completed year of service.

vii. Encashment of leave at the end of the tenure.

PART – C

viii. Car on Company's business: Provision of cars for use on Company's business will not be considered as perquisite.

ix. Telephone/Fax at Residence: Provision of telephone/fax at residence will not be considered as perquisite.

RESOLVED FURTHER that the aforesaid remuneration be paid to Mr. Jaydeep Chitlangia, Managing Director, as minimum remuneration notwithstanding no profits or inadequate profits in any financial year.”

4. **Re-appointment of Shri Abhas Sen (DIN: 01450642) as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Abhas Sen (DIN: 01450642), as an Independent Director of the Company, not liable to retire by rotation, whose current period of office as an Independent Director ends at the conclusion of the forthcoming AGM of the Company, to hold office for 3 (three) consecutive years from the conclusion of the 39th AGM upto 42nd AGM of the Company to be held in the calendar year 2022 who has given his consent for re-appointment and has submitted a declaration confirming the criteria of Independence under Section 149 of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age.

5. **Appointment of Shri Manoj Ranjan as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Manoj Ranjan, who has



given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office upto the conclusion of the 42nd Annual General Meeting of the Company.”

By Order of the Board

V.K. Khanna

Company Secretary

M No- 1855

Dated : 14th August, 2019

Place : Kolkata

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a Member of the Company.** A Person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the paid up capital of the Company carrying voting rights. A member holding more than ten percent of the paid up capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2019 to 26th September, 2019.
4. Members who have not registered their email addresses for receiving all communications including Annual Report, Notices, Circulars, etc, over email are requested to register their email address with their Depository Participants, if the shares are held in dematerialized form and with the Registrar and Transfer Agents, if the shares are held in physical form.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agents.
6. Copies of Annual Report 2018-19 and instruction for e-voting along with attendance slip and proxy form are being sent by electronic mode to all members whose email address is registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies are being sent by the permitted mode.
7. All the documents referred to in the Notice and Statement will be available for inspection at the Registered Office of the Company during normal business hours on all working days till the date of ensuing Annual General Meeting.
8. Members are requested to intimate change of addresses, if any, to the Registrar and Share Transfer Agents in respect of equity shares held in physical mode and to the Depository Participant(s) in respect of shares held in dematerialized form.
9. Complete particulars of the venue of the Meeting including route map and prominent land mark for easy location is enclosed for the convenience of the members. The same has also been hosted at the website of the Company at www.mbpl.in.
10. Members/Proxies are requested to bring the attendance slips with them duly filled in and hand over the same at the entrance of the meeting hall. Members/Proxies are also requested to carry photo identity card and to produce the same on demand.
11. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Regulations") the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 39th Annual General Meeting by the electronic means and the business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The Board of Directors of the Company has appointed Mr. A.K. Labh, Practising Company Secretary (FCS 4848 / CP-3238) as the Scrutinizer for conducting the remote e-voting and the voting through physical ballot process to be conducted at the Annual General Meeting in a fair and transparent manner.
12. **The instructions for shareholders voting electronically are as under:**
 - I. The voting period begins on 23.09.2019 at 10.00 A.M. and ends on 25.09.2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Madhya Bharat Papers Limited

- III. Those person who become Members of the Company after dispatch of AGM Notice but on or before 19th September, 2019 (Cut Off Date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at mdpldc@yahoo.com or to the Company at info@mbpl.in. However, those persons already registered with CDSL for remote e-voting can use their existing user ID & password for login.
- IV. The shareholders should log on to the e-voting website www.evotingindia.com.
- V. Click on Shareholders.
- VI. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- IX. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Deptt. (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field.</p> <p>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details of Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (VI).</p>

- X. After entering these details appropriately, click on "SUBMIT" tab.
- XI. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN for the relevant <Madhya Bharat Papers Ltd> on which you choose to vote.
- XIV. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XVI. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- XIX. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XX. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store by Android users, from App store by iPhone users and from Windows Phone Store by Windows phone users. Thereafter please follow the instructions as prompted by the mobile app while voting on your mobile.
- XXI. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XXII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors have re-appointed Mr. Jaydeep Chitlangia as Managing Director of the Company for the period from 1st April, 2019 to 31st March, 2022 on the remuneration and other terms and conditions as contained in the resolution. The payment of remuneration, as per details given in the resolution, to Mr. Jaydeep Chitlangia has also been approved by the Nomination & Remuneration Committee of the Company.

Mr. Jaydeep Chitlangia is working with the Company since last 30 years. Your Directors are of the opinion that his continued association with the Company is beneficial to the Company.

The Resolution set out in Item No. 3 of the Notice convening the meeting has to be considered accordingly and the Board recommends the same.

The resolution seeks approval of the members in terms of Sections 196 and 197 read with Schedule – V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder for the appointment of Mr. Jaydeep Chitlangia as Managing Director for a period of three years commencing from 1st April, 2019.

No Director, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution, except Mr. Jaydeep Chitlangia, to whom the resolution relates.

Statement required pursuant to the provisions of Schedule V of the Companies Act, 2013 is given below:

I. GENERAL INFORMATION:

1. Nature of Industry: The Company is engaged in the business of manufacturing of Writing & Printing Paper.
2. Date or expected date of commencement of commercial production: Company is in operation since 1984.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial Performance based on given indicators: (₹ in lakhs)

Particulars	2018-19	2017-18
Revenue from Operations	4788.85	3547.40
Profit/ (Loss) before tax	(1990.55)	(1683.12)
Profit/ (Loss) after tax	(2439.79)	(1039.84)

5. Foreign investments or collaborations, if any: Nil

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details: Mr. Jaydeep Chitlangia is a Commerce Graduate and is the Managing Director of the Company since 01.01.1990.
2. Past remuneration: Mr. Jaydeep Chitlangia had drawn remuneration of Rs. 40,73,042/- (inclusive of all perquisites) during the financial year 2018-19 as Managing Director.
3. Job profile and his suitability: Mr. Jaydeep Chitlangia has been contributing in his role towards achievement of the goals of the organization. Hence, on the basis of recommendation of the Nomination & Remuneration Committee and approval of the Board, he is a suitable candidate for the position of Managing director.
4. Remuneration proposed: As mentioned in the text of the resolution.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position of the person: Taking into account the size of the company, profile, position and involvement of Mr. Jaydeep Chitlangia in the Company, the proposed remuneration to the appointee is reasonable and in lines with the remuneration levels in the Industry.
6. Pecuniary Relationship directly or indirectly with the company, or relationship with managerial personnel, if any: Mr. Jaydeep Chitlangia holds 4,30,000 equity shares in the company.

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Company is facing acute shortage of Working Capital due to which plant is not operational at full capacity resulting in huge losses.
2. Steps taken or proposed to be taken for improvement: Efforts are made to arrange funds for smooth running of operations. Also, Company has approached the State Government for support, particularly waiver of interest on electricity duty and reduction of water consumption charges.

Madhya Bharat Papers Limited

3. Expected increase in productivity and profits in measurable terms: The requisite investments are under way to make the plant fully operational and the Company is hopeful of improvement in future.

Item No. 4

Shri Abhas Sen (DIN: 01450642), was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years at the AGM held on 26th September, 2014 upto the conclusion of 39th AGM to be held in calendar year 2019.

He has done B.A. (Hons) and is a Fellow Member of the Institute of Company Secretaries of India. He has knowledge and vast experience in corporate legal matters.

Shri Abhas Sen has attained the age of 82 years. Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires the Company to obtain approval of members by way of a Special Resolution for appointing/ continuing the directorship of a person as a Non- Executive Director who has attained seventy five years of age.

The Board of Directors is of the opinion that Shri Abhas Sen possesses relevant expertise and vast experience and his association as Non-Executive Independent Director will be beneficial and in the best interest of the Company and it is desirable to re-appoint Shri Abhas Sen as an Independent Director of the Company, for second term of three consecutive years starting from the conclusion of the 39th AGM and upto 42nd AGM of the Company to be held in the calendar year 2022.

The Board recommends the Special Resolution set forth in Item No. 4 for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Shri Manoj Ranjan as an Additional Director (Non Executive Independent) of the Company in the Board Meeting held on 14th August, 2019, effective from the date of allocation and intimation of DIN and subject to the approval of the members for appointment as an independent director to hold office upto the conclusion of the 42nd AGM of the Company.

The Company has received from Shri Manoj Ranjan - Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Act.

Shri Manoj Ranjan brings more than 40 years of experience. He has been associated with various organizations in the past including CCI Limited - A Govt of India Undertaking as the Regional Manager, Motherson Jones Ltd.- A FMCG company as Business Head, Shiva Paper Mills Limited as Chief Executive (Marketing) and Shakumbhri Straw Products Ltd. as Vice President (Marketing). He has diverse knowledge and vast experience in the field of Marketing and Strategy Planning.

The Board recommends the Ordinary Resolution set forth in Item No. 5 for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

By Order of the Board

Dated : 14th August, 2019
Place : Kolkata

V.K. Khanna
Company Secretary
(FCS-1855)

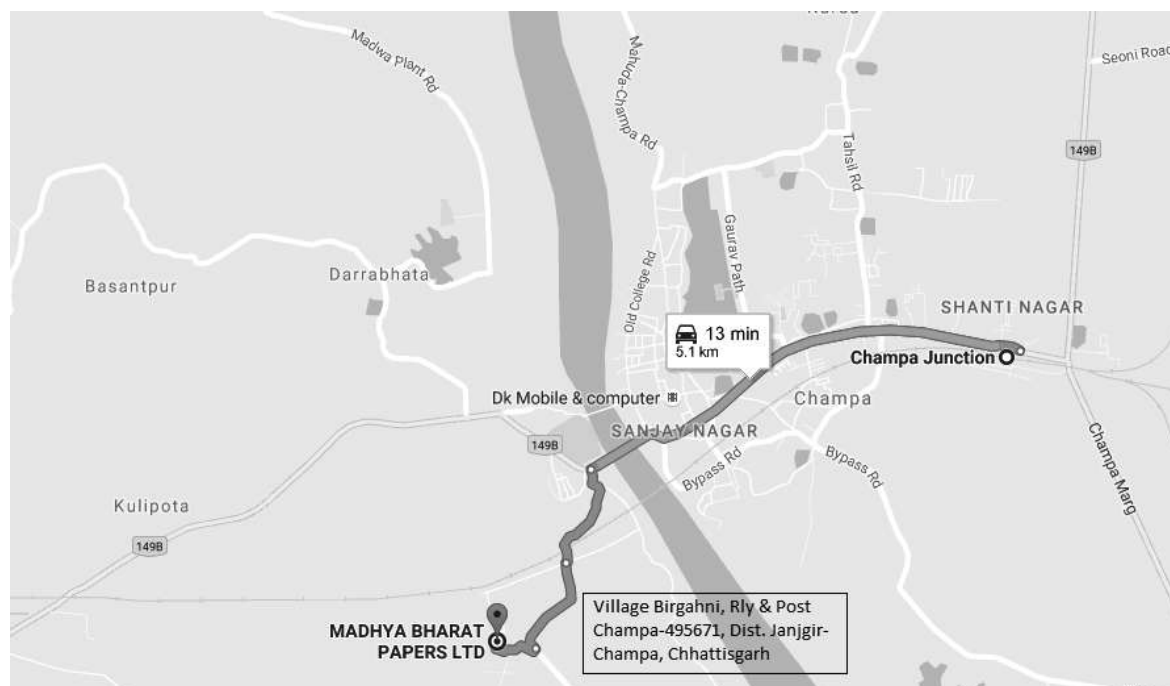
Information pursuant to SEBI Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Director:

Name of Director	Shri Jaydeep Chitlangia	Shri Abhas Sen	Shri Manoj Ranjan
Age	55 years	82 years	66 years
Date of appointment	1 st January, 1990	24 th October, 2002	Date of allocation and intimation of DIN
Qualification	B.Com	B.A. (Hons), Chartered Secretary	Graduate
Experience	Extensive experience in the areas of Corporate Planning, Business Development, Strategy Formulation, Finance, Administration and Overall Management	Vast experience in corporate legal matters	Diverse knowledge and vast experience in the field of marketing and strategy planning



Terms and Conditions of Appointment/ Re-appointment	Managing Director- liable to retire by rotation	Independent Director- not liable to retire by rotation	Independent Director- not liable to retire by rotation
Number of Board Meetings attended out of four Board Meetings held during the year	Four	Four	N.A.
Remuneration details	Last drawn remuneration is given in the Corporate Governance section of the Annual Report.	Nil	N.A.
Other Directorships	Chitlangia Timber Products Ltd. Chitperi Farm Pvt Ltd.	Nil	Nil
Committee membership / Chairmanship in other Companies	Nil	Nil	Nil
Relationship with other Directors/ Manager/ KMP	None	None	None
Number of shares held in the Company	430000	Nil	Nil

ROUTE MAP



Madhya Bharat Papers Limited

DIRECTORS' REPORT

Your Directors present the 39th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2019.

Financial Results

(₹ in lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Revenue from Operations	4788.85	3547.40
Other Income	42.00	51.41
Profit before Interest, Depreciation and Tax	(1419.49)	(1089.62)
Less: Interest	463.41	486.56
Profit before Depreciation and Tax	(1882.90)	(1576.18)
Less: Depreciation	107.65	106.94
Profit before Tax	(1990.55)	(1683.12)
Less: Tax expense	449.24	(643.28)
Profit/ (Loss) after Tax	(2439.79)	(1039.84)
Other Comprehensive Income	19.12	(25.68)
Total Comprehensive Income	(2420.67)	(1065.52)

Operations/State of Company's Affairs & Future Outlook

During the year under review, the Company has manufactured 8396 tonnes of paper compared to 7232 tonnes manufactured in previous year. The Company had to shift its raw material from agro-residues to recycled waste paper to comply with the directions of Central Pollution Control Board (CPCB) and Chhattisgarh Environment Conservation Board (CECB).

Due to acute shortage of working capital, the Company could implement it slowly which affected its quality, quantity and profitability. As a result, capacity utilization was low and the Company suffered huge losses amounting to ₹ 1990.55 lakhs before tax adjustments (previous year loss of ₹ 1683.12 lakhs).

Changes in the Nature of Business, if any

There was no change in the nature of business of the Company during the year.

Dividend

In view of accumulated losses, no dividend is recommended by the Directors for the financial year ended 31st March, 2019.

Reserves

Due to inadequacy of profit, no general reserve is created for the year ended 31st March, 2019.

Share Capital

The paid up equity share capital as on 31st March, 2019 was ₹ 3.41 crores. During the year under review the Company has not issued any shares or any convertible instruments.

Borrowings

The total borrowings stood at ₹ 4881.67 lakhs as at 31st March, 2019 as against ₹ 4494.63 lakhs as on 31st March, 2018, an increase of ₹ 387.04 lakhs.

Deposits

The Company has not accepted any deposits from public, and as such, there are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 2014.



Internal financial control systems and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of operations. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

Board Meetings

During the year under review, four Board Meetings were convened and held. The details of which are given in Corporate Governance Report.

Audit Committee

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report. There have been no instances where the Board has not accepted the recommendations of the Audit Committee.

Nomination & Remuneration Committee

The composition and terms of reference of the Nomination & Remuneration Committee have been furnished in the Corporate Governance Report forming part of this report.

Stakeholders Relationship Committee

The composition and terms of reference of the Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this report.

Extract of Annual Return

Extract of the Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 is enclosed as **Annexure 1**.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 2**.

Risk Management

The Company's policy on risk management includes identifying types of risk and its assessment, risk handling as well as risk monitoring and reporting.

The detail of the policy as approved by the Board of Directors is available on the Company's website www.mbpl.in.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are not attracted to the Company.

Details of Vigil Mechanism / Whistle Blower Policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted vigil mechanism policy. The policy on Vigil Mechanism is available on the Company's website www.mbpl.in.

Directors and Key Managerial Personnel (KMP) details

In accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt Deepa Maheshwari (DIN: 00550697) retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

The Board of Directors at its meeting held on 12th February, 2019 approved the re-appointment of Shri Jaydeep Chitlangia (DIN: 00094002) as Managing Director of the Company for a term of three years effective from 1st April, 2019, subject to approval of Members at the Annual General Meeting.

Madhya Bharat Papers Limited

Shri Abhas Sen was appointed as Independent Director to hold office for five consecutive years at the AGM held on 26th September, 2014 upto conclusion of the 39th AGM to be held in calendar year 2019. All Independent Directors have given the declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI Regulations”). In the opinion of the Board they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management.

There were no other changes in Directors or Key Managerial Personnel.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and relevant provisions of SEBI Regulations, annual evaluation of the performance of the Board, its committees and of individual directors has been made. The manner in which evaluation was carried out has been explained in the Corporate Governance Report.

Managerial Remuneration

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the company is attached as **Annexure 3**.

Particulars of Contracts or Arrangements made with Related Party

All related party transactions that were entered into during the financial year under review were at arm’s length basis and were in the ordinary course of business. There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly there are no transactions to be reported in Form AOC-2.

All related party transactions are placed before the Audit Committee and also the Board for approval. The policy on Related Party Transactions as approved by the Board of Directors is available on the Company’s website www.mbpl.in.

Particulars of Loans, Guarantees or Investments

It is the Company’s policy not to give loans directly, or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or give any guarantee or provide any security in connection with a loan to any other body corporate or person. The Company does not make any new investment in securities of any other body corporate.

Remuneration Policy

The policy of the Company on director’s appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under Section 178(3) of the Companies Act, 2013 is annexed to this Report as **Annexure 4**.

The Company’s criteria for payment of remuneration to the Non Executive Directors is available on the Company’s website www.mbpl.in.

Directors’ Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year on that date;



-
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) the Directors have prepared the annual accounts on a 'going concern' basis.
 - (v) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
 - (vi) the Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Non-applicability of Corporate Governance Report as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not mandatory to your Company presently. However, as a matter of good practice, Corporate Governance Report for the financial year ended 31st March, 2019 is given separately as **Annexure 5**.

The Independent Directors and Non-Executive Director received sitting fees for attending the Board and Committee meetings of the Directors. The sitting fees paid to the directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

Statutory Auditors

M/s G.P. Agrawal & Co. (Firm Registration No.302082E), Chartered Accountants were appointed as Statutory Auditors of the Company at the 37th AGM held on 21st September, 2017 for a term of five years subject to ratification by the members at every subsequent AGM held after that AGM. Ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Based on this, the matter is not included in the Notice convening 39th AGM in line with the Companies Amendment Act, 2017.

There are no qualifications or observations or remarks made by the Auditors in their Report. Hence no comments or explanations by the board are required.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Ms. Rashmi Sharma of M/s Rashmi Sharma & Co., Practicing Company Secretary to undertake the secretarial audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2019 is attached as **Annexure 6**. There are no qualifications or observations or remarks made by the Auditors in their Report. Hence no comments or explanations by the board are required.

The Company has appointed Ms. Rashmi Sharma of M/s Rashmi Sharma & Co., Practicing Company Secretary to undertake the Secretarial Audit for the FY 2019-20.

Cost Records

Company is required to maintain Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

Pursuant to provisions of Companies Act, 2013 and the Rules thereunder, requirement of Cost Audit is not applicable to the Company.

Investor Education & Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 are not applicable to the Company as there was no dividend declared and paid in the last financial year.

Madhya Bharat Papers Limited

Stock Exchange Listing

The Equity Shares of the Company are listed at the Calcutta Stock Exchange Limited. The Company confirms payment of listing fees to the Calcutta Stock Exchange Limited for the year 2019-20.

Business Responsibility Reporting

The provisions of SEBI Regulations with respect to Business Responsibility Reporting are not applicable to the Company and therefore the company has not undertaken Business Responsibility Reporting.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

The Company has received favourable Award from Arbitrator for insurance claim against The Oriental Insurance Co. Ltd for ₹ 69.95 lakhs with interest @ 10% per annum. However, the said Award is challenged by the Insurance Company in Calcutta High Court.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company as a Group has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the year under review, no complaints were reported to the Board.

Management Discussion and Analysis Report

As required under Regulation 34(2) of the SEBI Regulations, the Management Discussion and Analysis Report is attached as **Annexure 7** and forms an integral part of this Report.

Subsidiary, Joint Ventures & Associate Companies

The Company does not have any Subsidiary/ Joint Venture/ Associate Companies.

Acknowledgement

The Board of Directors would like to thank the Company's customers, employees, shareholders, bankers, suppliers and all other associated with the Company for their continued support.

On behalf of the Board

Regd. Office:

Village Birgahni,
Rly & Post Champa- 495 671,
Dist. Janjgir-Champa
Chhattisgarh.
CIN: L21012CT1980PLC001682
Dated: 30th May, 2019

R.L. KAPUR
Director
(DIN: 00002483)

JAYDEEP CHITLANGIA
Managing Director
(DIN: 00094002)



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2019

[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 : L21012CT1980PLC001682
- ii) Registration Date : 14th November, 1980
- iii) Name of the Company : MADHYA BHARAT PAPERS LIMITED
- iv) Category/Sub-Category of the Company : Public Company Limited by Shares
- v) Address of the Registered office and contact details : P.O. Champa, Dist. Janjgir-Champa-495671 Chhattisgarh.
Phone: 09203906288
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheshwari Datamatics Private Limited,
23, R N Mukherjee Road,
5th Floor, Kolkata-700001
Contact No. (033) 2243 5029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10% or more of the total turnover of the company)

Sl. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the company
1	Writing & Printing Paper	1701	100%

III. PARTICULARS OF SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANIES :-

Sl. No.	Name & Address of the Company	CIN/GLN	Subsidiary/Joint Venture/Associate	% of Shares held	Applicable Section
1	Not Applicable				

Madhya Bharat Papers Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1902993	-	1902993	55.8062	1902993	-	1902993	55.8062	-
b) Central Government									
c) State Government									
d) Bodies Corporate	45400	-	45400	1.3314	45400	-	45400	1.3314	-
e) Banks / Financial Institutions									
f) Any Other									
Sub-Total (A) (1)	1948393	-	1948393	57.1376	1948393	-	1948393	57.1376	-
(2) Foreign									
NRIs-Individuals									
Other-Individuals									
Bodies Corporate									
Banks / Financial Institutions									
Any Other (Specify)									
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)									
(A) = (A)(1)+(A)(2)	1948393	-	1948393	57.1376	1948393	-	1948393	57.1376	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions	1255856	-	1255856	36.8286	1255856	-	1255856	36.8286	-
c) Central Government(s)									
d) State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1)	1255856	-	1255856	36.8286	1255856	-	1255856	36.8286	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	61200	17100	78300	2.2962	61200	17100	78300	2.2962	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	26849	59402	86251	2.5294	27299	58952	86251	2.5294	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	41200	-	41200	1.2082	41200	-	41200	1.2082	-
c) Others (specify)									
1. Non Resident Indians									
2. Clearing Member									
3. OCB									
4. Trust									
5. Foreign Portfolio Investor									
Sub-total(B) (2)	129249	76502	205751	6.0338	129699	76052	205751	6.0338	-
Total Public Shareholding (B)									
(B) = (B) (1) + (B) (2)	1385105	76502	1461607	42.8624	1385555	76052	1461607	42.8624	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3333498	76502	3410000	100	3333948	76052	3410000	100	-



ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of 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	Sudeep Chitlangia	490000	14.3695	-	490000	14.3695	-	-
2	Jaydeep Chitlangia	430000	12.6100	-	430000	12.6100	-	-
3	Sheela Chitlangia	274737	8.0568	-	274737	8.0568	-	-
4	Archana Chitlangia	250000	7.3314	-	250000	7.3314	-	-
5	Nikhilesh Chitlangia	190000	5.5718	-	190000	5.5718	-	-
6	Shreya Kanoria	85000	2.4927	-	85000	2.4927	-	-
7	Radheshyam Chitlangia (HUF)	80000	2.3460	-	-	-	-	(2.3460)
8	Akhilesh Chitlangia	50000	1.4663	-	67064	1.9667	-	0.5004
9	Abhishek Chitlangia	43500	1.2757	-	67064	1.9667	-	0.6910
10	Sunita Chitlangia	9756	0.2861	-	49128	1.4407	-	1.1546
11	Chitlangia Medical Society	45400	1.3314	-	45400	1.3314	-	-
	Total	1948393	57.1376	-	1948393	57.1376	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Radheyshyam Chitlangia (HUF) At the beginning of the year 04.01.2019- Transfer At the end of the year	80000 (80000)	2.3460 (2.3460)	- -	- -
2.	Sunita Chitlangia At the beginning of the year 04.01.2019- Transfer At the end of the year	9756 39372	0.2861 1.1546	49128 49128	1.4407 1.4407
3.	Abhishek Chitlangia At the beginning of the year 04.01.2019- Transfer At the end of the year	43500 23564	1.2757 0.6910	67064 67064	1.9667 1.9667
4.	Akhilesh Chitlangia At the beginning of the year 04.01.2019- Transfer At the end of the year	50000 17064	1.4663 0.5004	67064 67064	1.9667 1.9667

Madhya Bharat Papers Limited

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 at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Bank of Baroda				
	At the beginning of the year	29628	0.8689	29628	0.8689
	At the end of the year			29628	0.8689
2	ICICI Bank Ltd.				
	At the beginning of the year	227150	6.6613	227150	6.6613
	At the end of the year			227150	6.6613
3	Punjab National Bank				
	At the beginning of the year	22190	0.6507	22190	0.6507
	At the end of the year			22190	0.6507
4	State Bank of India				
	At the beginning of the year	136515	4.0034	136515	4.0034
	At the end of the year			136515	4.0034
5	IFCI Ltd.				
	At the beginning of the year	277436	8.1360	277436	8.1360
	At the end of the year			277436	8.1360
6	IDBI Bank Ltd.				
	At the beginning of the year	562937	16.5084	562937	16.5084
	At the end of the year			562937	16.5084
7	Lower Vyapar Pvt.Ltd.				
	At the beginning of the year	48700	1.4282	48700	1.4282
	At the end of the year			48700	1.4282
8	Urmila Desai				
	At the beginning of the year	41200	1.2082	41200	1.2082
	At the end of the year			41200	1.2082
9	Gopaldas Bagree				
	At the beginning of the year	10000	0.2933	10000	0.2933
	At the end of the year			10000	0.2933
10	Steadfast Commercial Co.Ltd.				
	At the beginning of the year	15000	0.4399	15000	0.4399
	At the end of the year			15000	0.4399



v) **Shareholding of Directors and Key Managerial Personnel :**

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Details of Directors					
1	Jaydeep Chitlangia				
	a) At the beginning of the year	430000	12.6100	430000	12.6100
	b) Changes during the year	-	-	-	-
	c) At the end of the year	430000	12.6100	430000	12.6100
2	Deepa Maheshwari				
	a) At the beginning of the year	500	0.0147	500	0.0147
	b) Changes during the year	-	-	-	-
	c) At the end of the year	500	0.0147	500	0.0147
3	Abhas Sen				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
4	Raghuvansh Lal Kapur				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
5	Vinod Kumar Khanna				
	a) At the beginning of the year	850	0.0249	850	0.0249
	b) Changes during the year	-	-	-	-
	c) At the end of the year	850	0.0249	850	0.0249
Details of Key Managerial Personnel (KMP)					
1	Jagdish Dua				
	a) At the beginning of the year	200	0.0059	200	0.0059
	b) Changes during the year	-	-	-	-
	c) At the end of the year	200	0.0059	200	0.0059

Madhya Bharat Papers Limited

V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	457.30	3725.40	-	4182.70
ii) Interest due but not paid	-	311.93	-	311.93
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	457.30	4037.33	0.00	4494.63
Change in Indebtedness during the financial year				
- Addition	-	1336.41	-	1336.41
- Reduction	(18.36)	(931.01)	-	(949.37)
Net Change	(181.69)	405.40	0.00	387.04
Indebtedness at the end of the financial year				
i) Principal Amount	438.94	3920.63	-	4359.56
ii) Interest due but not paid	-	522.10	-	522.10
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	438.94	4442.73	0.00	4881.67

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Jaydeep Chitlangia, Managing Director	Vinod Kumar Khanna, Whole-time Director	Total Amount
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3360000	2334900	5694900
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32400	-	32400
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify –			
	1. Club membership	15104	-	15104
	2. Company's Contribution to Super Annuation Fund	504000	-	504000
	3. Company's Contribution to Gratuity	161538	49615	211153
	Total (A)	4073042	2384515	6457557
	Ceiling as per the Act	8400000	8400000	16800000


B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Abhas Sen	Raghuvansh Lal Kapur	Deepa Maheshwari	
1	Independent Directors Fee for attending board/ committee meetings	84500	84500	-	169000
	Total (1)	84500	84500	-	169000
2	Other Non-Executive Directors Fee for attending board/ committee meetings, commission others, please specify	N.A.	N.A.	82000	82000
	Total (2)	-	-	82000	82000
	Total (B) – (1+2)	84500	84500	82000	251000

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of KMP
		Jagdish Dua, CFO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	892536
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	567396
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify...	NIL
5.	Others, please specify –	
	1. Company's Contribution to Provident Fund	113352
	2. Company's Contribution to Super Annuation Fund	133880
	3. Company's Contribution to Gratuity	42912
	Total	1750076

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule – 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report:

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

Company is hopeful of identifying and implementing the same in future.

(b) Steps taken for utilizing alternate sources of energy: None

(c) Total energy consumption and energy consumption per unit of production: Form- A enclosed.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form-B: Form-B enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) The Company has not exported any of its products during the year.

(b) Total foreign exchange used and earned during the year (₹ in lakhs)

(i) CIF value of imports 457.30

Expenditure in foreign currency 11.80

(ii) Foreign exchange earned -



FORM - A

Form for disclosure of particulars with respect to conservation of energy

Particulars	Unit	2018-19	2017-18
A. POWER AND FUEL CONSUMPTION			
1. Electricity			
a) Purchased Power			
Units	Kvah	896370	798518
Total Amount	Rs.	10598858	9279150
Rate	Rs/Kvah	11.82	11.62
b) Own Generation			
i) Through Diesel Generator			
Units	Kwh	95	-
Units per Unit of Diesel Oil	Kwh/Ltr	7.31	-
Cost/Unit	Rs/Kwh	10.37	-
ii) Through Turbine Generator (3.1 MW)			
Units	Kvah	10869138	8878372
Units per Unit of Coal	Kvah/MT	864	903
Cost per Unit	Rs/Kvah	4.31	3.03
2. Coal			
For Steam & Power Generation in Paper Dvn.			
a) Grade - F			
Quantity	MT	29527	23731
Total Cost	Rs.	109903731	64811395
Average Cost	Rs/MT	3722	2731
b) Fire Wood			
Quantity	MT	-	2.50
Total Cost	Rs.	-	7139
Average Cost	Rs/MT	-	2856
c) Charcoal			
Quantity	MT	-	2.93
Total Cost	Rs.	-	64623
Average Cost	Rs/MT	-	22056
3. Furnace Oil			
-			
4. Diesel Oil			
Quantity	Ltr	13	-
Total Cost	Rs.	985	-
Average Cost	Rs/Ltr	76	-
B. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity	Kvah/MT	1441	1357
Coal	MT/MT	3.62	3.33
Diesel Oil	Ltr/MT	-	-

FORM-B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT

1. **Specific areas in which R&D carried out by the Company.**
Effective action will be taken on running Plant in its capacity.
2. **Benefits Derived**
The Company could not enjoy any benefits as the plant was not in full operation.
3. **Future Plan of Action**
Will be decided on effective running of Plant.
4. **Expenditure on R & D:** Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts made**
Effective action will be taken on running Plant in its capacity.
2. **Benefits**
The Company could not enjoy any benefits as the plant was not in full operation.
3. **Particulars of technologies imported during the last 5 years:** Nil

Annexure 3

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

A) Details of every employee of the Company as required under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019:

Particulars	Details
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year <div style="text-align: right; margin-right: 50px;">*Only sitting fee paid for attending Board/Committee meeting.</div>	Non Executive Directors* Mr. Abhas Sen : 0.39 Mr. Raghuvansh Lal Kapur : 0.39 Mrs. Deepa Maheshwari : 0.38 Executive Directors Mr. Jaydeep Chitlangia : 18.67 Mr. Vinod Kumar Khanna : 10.93
(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	Non Executive Directors : Nil Managing Director : Nil Executive Director : Nil Chief Financial Officer : 7.5%
(iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year	(11.75)%
(iv) The number of permanent employees on the rolls of the Company	230 permanent employees as on March 31, 2019
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase / (decrease) in the salary of Non-Managerial Personnel- (2.94%) Average increase of Managerial Remuneration- 1.91% No exceptional increase given in the managerial remuneration.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.



B) Details of top ten employees of the Company in terms of remuneration drawn as required under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019:

Sl No.	Employee Name	Designation	Remuneration received (Amount in ₹)	Qualification	Total experience in years	Date of commencement of employment	Age	Previous employment
1.	Jaydeep Chitlangia	Managing Director	4073042	B.Com	29	01.01.1990	56	-
2.	Vinod Kumar Khanna	Executive Director & Company Secretary	2384515	M.Com, LLB, FCA, FCS, FCMA	42	19.10.1982	64	Neptune Paper Mills Ltd
3.	Jagdish Dua	Chief Financial Officer	1750076	B.Com	36	01.02.1991	52	Shree Kaladhari Agency
4.	C R Pattanayak	Regional Manager	1716597	Civil Engineer	20	01.01.2008	43	Aster Teleservice
5.	Mausum Mukherjee	Senior Systems Manager	1421752	B.Sc	26	01.08.1996	47	Calcutta Fan Ltd
6.	Ramesh Kumar Periwal	Assistant General Manager (Purchase)	1220251	B.Com	31	20.08.1988	50	-
7.	Amitava Addy	Administrative Officer	939179	B.Com	37	18.05.1982	58	-
8.	Sarmistha Pal	Secretary to MD	786766	M.A.	20	18.03.2013	48	Maruti Suzuki India Ltd
9.	M K Mundhra	Commercial Manager	556127	B.Com	36	01.01.2013	58	-
10.	Ramesh Kumar Maurya	Engineer in Power Plant	502776	Diploma in Mechanical	22	10.09.2012	43	Abhinav Steels Limited

Annexure 4

Remuneration Policy:

a) Remuneration Policy for Non Executive Directors/ Independent Directors

Levels of remuneration to directors are determined such that they attract, retain and motivate directors of the quality and ability required to run the company successfully. With changes in the corporate governance norms, the role of the Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time.

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations"), every company to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company's website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and the SEBI Regulations require the prior approval of the shareholders of a company for making payment to its NEDs.

Further, in order to be consistent with globally accepted governance practices, the company has ushered in flexibility in respect of payment of remuneration to NEDs. It has linked the remuneration paid to NEDs to their attendance at the meetings of the Board or Committees thereof, their contributions at the meetings or otherwise, and on their position in various Committees of the Board, whether as the Chairman or Member.

All board level compensation (including to the NEDs) is approved by the shareholders and disclosed separately in the financial statements. Appropriate disclosures are also made in the Annual Report of the company. The board approves the commission paid to the directors.

In addition, the company also pays a sitting fee on a per meeting basis to the NEDs for attending the meetings of the board and other committees.

Madhya Bharat Papers Limited

b) Remuneration Policy for Executive Directors

The remuneration policy for the executive directors has been formulated, considering the following key principles including but not limited to the basic principle to have long term relationship with the Company:

Key Principles:

- Linked to strategy: A substantial portion of the executive director's remuneration is linked to success in developing and implementing the Company's strategy.
- Performance related: A part of the total remuneration varies with performance, aligning with the shareholder's interest.
- Long term: The structure of remuneration is designed to reflect the long term nature of the Company and significance of the protection of interest of the shareholders.
- Fair treatment: Total overall remuneration takes account of both the external market and company's condition to achieve a balanced "fair outcome".

Elements of the Remuneration structure of Executive Directors:

The remuneration to key managerial personnel shall include:

- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice and industry analysis.

Annual remuneration reviews shall be based on individual performance, company performance, market environment and future plans.

The remuneration to any one Managing Director or Whole Time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director total remuneration shall not exceed ten percent of the net profits of the Company to all such directors and manager together. The total remuneration to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that financial year.

In case of no profits, or inadequate profits, the Company shall pay remuneration to its managing or whole-time director or manager in accordance with the provisions of Schedule V of the Companies Act 2013.

c) Remuneration Policy for Key Managerial Personnel (KMP)

The remuneration to Key Managerial Personnel of the Company i.e. Managing Director/Chief Executive Officer/ Whole Time Director, Company Secretary and Chief Financial Officer as defined under Companies Act, 2013 read with related rules issued thereon, will be fixed after taking into account educational and professional qualification, experience & expertise of the personnel and the competitive market practices.

Key Principles:

- Remuneration should be sufficient to attract, retain and motivate best non-executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for Key Managerial Personnel.

Elements of the Remuneration structure of KMP's:

The remuneration to key managerial personnel shall include:

- Fixed salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, company performance, market environment and future plans.

d) Remuneration Policy for Senior Management Personnel and other Executives:

The remuneration to Senior Management personnel shall be fixed considering internal, external and individual equity; and also procedural equity.

Remuneration to Senior Management Personnel shall include –

- Fixed Salary
- Perquisites and Allowances
- And other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, company performance, market environment and future plans.

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

The Company is committed to good corporate governance and aims at achieving increased levels of transparency and accountability to its shareholders and other key stakeholders.

2. Board of Directors**a) Composition of the Board**

The Board of Directors consists of:

- * One Managing Director
- * Two Non-Executive Independent Directors
- * One Non-Executive Woman Director
- * One Executive Director

None of the Directors are related to each other.

b) Board meetings held during the year ended 31st March 2019

During the year under review, four Board meetings were held on 28th May, 2018, 13th August, 2018, 12th November, 2018 and 12th February, 2019.

c) Details of composition and category of directors, attendance at the Board Meetings, Annual General Meeting and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various companies:

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance in previous AGM on 28.09.2018	No. of Directorship held in other Public Limited Companies	No. of membership/ chairmanship in other Board/Committee	
						Chairman	Member
Mr. Jaydeep Chitlangia	00094002	Managing Director-Promoter	4	No	1	-	-
Mr. Abhas Sen	01450642	Non-Executive, Independent	4	Yes	-	-	-
Mr. Raghuvansh Lal Kapur	00002483	Non-Executive, Independent	4	No	-	-	-
Mrs. Deepa Maheshwari	00550697	Non-Executive	4	Yes	-	-	-
Mr. Vinod Kumar Khanna	00123393	Executive	3	Yes	1	-	-

* Only Audit Committee and Stakeholders Relationship Committee are considered

d) Names of the other Listed entities where the Directors of the company are directors as on March 31, 2019 - Nil**e) Shareholding of Non-Executive Directors**

Mrs. Deepa Maheshwari holds 500 shares in the Company and no other Non-Executive Directors hold any shares in the Company.

Madhya Bharat Papers Limited

f) Code for Prevention of Insider Trading practices and Fair Disclosures

As per SEBI (Prohibition of Insider Trading) Regulations 2015, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, preclearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

The Company has a Code of Conduct to regulate, monitor and report trading by Designated Persons in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).

g) Details of Familiarization Programme imparted to Independent Directors

The Company conducts familiarization programme for Independent Directors by way of Presentations at the quarterly Board Meetings which covers their roles, rights, responsibilities in the Company, nature of industry in which the company operates and the business model of the company.

h) Core Skills/ Expertise/ Competencies

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

- i. Overall Management and Strategy Formulation
- ii. Manufacturing, Sales, Marketing
- iii. Finance and Taxation
- iv. Corporate Governance and Ethics
- v. Law
- vi. Leadership

i) Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended from time to time). Based on the disclosures received from all Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and the Listing Regulations and are independent of the Management.

3. Audit Committee

a) Composition

The Audit Committee comprises of Mr. Abhas Sen, Non-Executive Independent Director and Chairman of the Committee, Mr. Raghuvansh Lal Kapur, Non-Executive Independent Director and Mrs. Deepa Maheshwari, Non-Executive Woman Director. The Managing Director is permanent invitee in all meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.

b) Brief Description of Terms of Reference of the Audit Committee:

A. The Audit Committee shall act in accordance with the terms of reference specified under Section 177 of the Companies Act, 2013 and as per the provisions of Regulation 18(3) read with Schedule II, Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall inter alia include:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



-
- a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any Related Party Transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the whistle blower mechanism;
 19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
-

Madhya Bharat Papers Limited

B. The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

c) Meetings and Attendance

Four meetings were held during the year on 28th May, 2018, 13th August, 2018, 12th November, 2018 and 12th February, 2019.

Name of Director	No. of meetings held	No. of meetings attended
Abhas Sen	4	4
Raghuvansh Lal Kapur	4	4
Deepa Maheshwari	4	4

4. Nomination and Remuneration Committee

a) Composition:

The Nomination and Remuneration Committee comprises of Mr. Abhas Sen, Non-Executive Independent Director and Chairman of the Committee, Mr. Raghuvansh Lal Kapur, Non-Executive Independent Director and Mrs. Deepa Maheshwari, Non-Executive Woman Director.

b) Brief Description of Terms of Reference of the Nomination and Remuneration Committee as per Regulation 19(4) read with Schedule II, Part D of SEBI Regulations, which shall inter alia include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

c) Meetings and Attendance:

There were two meetings held on 13th August, 2018 and 12th February, 2019 and attended by all 3 members.



d) Performance Evaluation criteria for Independent Directors:

The following are the evaluation criteria for the Performance Evaluation of the Independent Directors:

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices
- Rendering independent, unbiased opinion
- Attendance & presence in meetings of Board & Committees
- Attendance & presence in general meetings
- Disclosure of independence, if exists
- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests
- Updation of skills and knowledge (Awareness program through presentation at the Board and Committee meetings)
- Information regarding external environment
- Raising of concerns to the Board
- Safeguarding interest of whistle blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Safeguard of confidential information

Details of remuneration to Directors per annum:

Name of Directors	Basic Salary (₹)	Perquisites/ Allowances (₹)	Sitting Fees (₹)	Total (₹)
Jaydeep Chitlangia	3360000	713042	-	4073042
Abhas Sen	-	-	84500	84500
Raghuvansh Lal Kapur	-	-	84500	84500
Deepa Maheshwari	-	-	82000	82000
Vinod Kumar Khanna	2334900	49615	-	2384515

Notes:

- (a) The company does not pay any commission or performance linked incentives to any of its Directors.
(b) Non Executive directors are paid only sitting fees to attend Board/ Committee meetings.

5. Performance Evaluation of Board:

Pursuant to the provisions of the Companies Act, 2013 and as per requirement of Regulation 17(10) of SEBI Regulations, the Board has carried out the required annual evaluation of its own performance, its committees and individual directors.

In respect of each of the evaluation factors, various aspects covering general parameters in respect of all the directors and its committees have been considered.

Self-appraisal by the directors, based on their delegated specific responsibilities has also been carried out.

Madhya Bharat Papers Limited

6. Stakeholders Relationship Committee

a) Composition

The Stakeholders Relationship Committee consists of Mr. Abhas Sen, Non-Executive Independent Director and Chairman of the Committee, Mr. Raghuvansh Lal Kapur, Non-Executive Independent Director and Mr. Jaydeep Chitlangia, Managing Director.

b) Terms of Reference:

The Committee performs amongst other the role/functions as set out in SEBI Regulations and includes:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new or duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c) Meetings and Attendance

There was one meeting held on 12th February, 2019 and attended by all 3 members.

Compliance Officer

Mr. Vinod Kumar Khanna, Executive Director & Company Secretary is the Compliance Officer.

Shareholders' Complaints

There were no complaints from its shareholders during the year.

7. Annual General Meeting

Details of last three Annual General Meetings (AGMs):

Year	Location	Date and Time	Special Resolutions passed
2015-16	Village Birgahni, Rly & Post Champa- 495 671, Dist. Janjgir-Champa, Chhattisgarh	23 rd September, 2016 11.00 a.m.	-
2016-17	Same as above	21 st September, 2017 11.00 a.m.	-
2017-18	Same as above	28 th September, 2018 11.00 a.m.	1. Re-appointment of Shri Vinod Kumar Khanna as Whole-time Director 2. Approval for continuation of current term of Shri Abhas Sen, Independent Director 3. Approval for continuation of current term of Shri Raghuvansh Lal Kapur, Independent Director

- No Special Resolution was passed by the Company last year through Postal Ballot.
- No Special Resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting.



8. Disclosures

- a) During the year under review the Company has not entered into any significant related party transactions that may have potential conflict with the interests of the listed entity at large. Details of related party transactions have been given in notes to accounts. The Company has framed a policy to deal with Related Party Transactions (RPTs) which has been posted on the Company's website www.mbpl.in.
- b) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.
- c) The Company has in place whistle blower policy which has been posted on the Company's website www.mbpl.in and no person was denied access to the Audit Committee
- d) The Company has followed the applicable guidelines of Accounting Standards as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The status of compliance with the discretionary requirements under the Listing Regulations is provided below:
 - Shareholder Rights: The quarterly, half-yearly and annual financial results of the Company are published in newspapers and are also posted on the Company's website. The complete Annual Report is sent to every shareholder of the Company.
- f) Total fees of Rs 1,80,000/- was paid by the Company for all audit and non-audit services availed, on a consolidated basis, to the Statutory auditors and all entities in the network firm/ network entity of which the Statutory Auditors is a part, for the financial year ended March 31, 2019.

9. Means of Communication

- a) Quarterly results are normally published in Financial Express in English and Dainik Bhaskar in Hindi.
- b) Latest quarterly financial results are displayed on its website www.mbpl.in
- c) No presentations were made to institutional investors or analysts.

10. General Shareholder Information

I. Annual General Meeting

- Date and Time : 26th September, 2019 at 11.00 a.m.
Venue : Village Birgahni, Rly & Post Champa-495 671,
Dist. Janjgir-Champa, Chhattisgarh

II. Financial Calendar for the year 2019-20 (tentative)

- Results for first quarter : 2nd week of August
Results for second quarter : 2nd week of November
Results for third quarter : 2nd week of February
Annual Audited Results : Last week of May

- III. Book Closure Date : 20th September, 2019 to 26th September, 2019
(both days inclusive).

- IV. Dividend Payment Date : Not Applicable

- V. Listing on Stock Exchange : The Calcutta Stock Exchange Ltd., Kolkata.
7, Lyons Range, Kolkata-700 001

The Company has paid the listing fees for the year 2019-20.

VI. Stock Code Details

Name of Stock Exchange	Stock Code
The Calcutta Stock Exchange Ltd.	10023013

Madhya Bharat Papers Limited

VII. Market Price Data

No transactions were recorded at the aforesaid Stock Exchange during the year.

VIII. Share Transfer System

Maheshwari Datamatics Pvt. Ltd. are the Share Transfer Agents/Registrars (both for physical as well as demat segments) of the Company. The Company follows a fortnightly cycle for processing and updating share transfers and accordingly all valid transfers are effected within a fortnight.

IX. Distribution of Shareholding as on 31st March, 2019

No. of shares of ₹10 each	No. of Shareholders	% of shareholders	No. of shares held	Shareholding %
1 – 500	211	80.5344	34787	1.0201
501 – 1000	16	6.1069	13050	0.3827
1001 – 2000	6	2.2901	9614	0.2819
2001 – 4000	6	2.2901	16600	0.4868
4001 – 5000	2	0.7634	10000	0.2933
5001 – 10000	2	0.7634	16800	0.4927
10001 & above	19	7.2519	3309149	97.0425
Total	262	100.00	3410000	100.00

X. Categories of Shareholding as on 31st March, 2019

Categories of Shareholders	No. of shares held	Shareholding %
Indian Promoters	1948393	57.1376
Banks/Financial Institutions	1255856	36.8286
Private Corporate Bodies	78300	2.2962
Indian Public	127451	3.7376
Total	3410000	100.00

XI. Dematerialisation of Equity Shares

The Company's shares are available for dematerialization with NSDL and CDSL. The ISIN allotted to the Company's equity shares is INE697E01017. As on 31.03.2019, 97.76% of total equity share capital is held in dematerialised form with NSDL and CDSL.

XII. Outstanding GDR/Warrants and Convertible Instruments: Not Applicable.

XIII. **Plant Location** : Village Birgahni, Rly & Post Champa-495 671
Dist. Janjgir-Champa, Chhattisgarh.

XIV. Address for Correspondence:

Registrar : Maheshwari Datamatics Pvt.Ltd.,
23, R.N. Mukherjee Road, Kolkata-700 001.
E-mail: mdpldc@yahoo.com

Company- Registered Office : Madhya Bharat Papers Ltd.,
Village Birgahni, Rly & Post Champa-495 671
Dist. Janjgir-Champa, Chhattisgarh.

E-mail id for investor grievances : info@mbpl.in

On behalf of the Board

Regd.Office:
Village Birgahni,
Rly & Post Champa-
Chhattisgarh
L21012CT1980PLC001682
Dated: 30.05.2019

R.L. KAPUR
Director
(DIN: 00002483)

JAYDEEPCHITLANGIA
Managing Director
(DIN: 00094002)



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Madhya Bharat Papers Limited

Vill. – Birgahni, Rly & Post - Champa

Dist. – Janjgir-Champa

Chhattisgarh

Pin- 495671

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Bharat Papers Limited** having its Registered Office at Vill. – Birgahni, Rly & Post – Champa, Dist. – Janjgir-Champa, Chhattisgarh - 495671 (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 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 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding 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.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

Madhya Bharat Papers Limited

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (*as amended*)

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) 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;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act:

1. Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;
2. Indian Boilers Act, 1923;
3. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
4. The Petroleum Act, 1934 and The Petroleum Rules, 2002; and
5. Explosives Act, 1884

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, etc.

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

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.



I further report that :

- (a) The Board of Directors of the Company is duly 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.
- (b) 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.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) 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.

(RASHMISHARMA)

Practicing Company Secretary

FCS – F8660 / CP No.- 8051

Place : Kolkata

Dated : 30.05.2019

Annexure 7

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Development

The world paper industry is currently facing far reaching structural changes due to digitalization of society and businesses, globalization of industries and consequent re-distribution of wealth across the globe.

India's share in the global paper demand is gradually increasing with rising domestic demand while demand in the western nations is contracting. The domestic demand in India grew from 9.3 million tonnes in FY08 to 21 million tonnes in FY18. In spite of the sustained growth witnessed by the industry, the per capita paper consumption in India stands at a little approx 14 kg which is well below the global average of 57 kg and significantly below 200 kg in North America.

As per estimates, this industry contributes approximately Rs 6,500 crore to the exchequer and provides employment to over 5 lakh people across approximately 750 paper mills.

Opportunities

- (a) Pan India presence.
- (b) Close proximity of the plant to the collieries of South Eastern Coalfields Ltd. for procurement of coal.
- (c) A likely pick up from the education sector.
- (d) Strong customer base and dealers/distributors network.
- (e) Scope of export of paper due to shortage/ manufacturing restrictions in China

Threats

- (a) Access to quality raw materials at competitive price.
- (b) Competition from imports.
- (c) Increasing competition from electronic media and digital communication alternatives.

Madhya Bharat Papers Limited

Performance

The details have already been covered in the Director's Report.

Outlook

Outlook is good provided plant runs in full capacity and optimized expansion is done.

Risks and Concerns:

The Company has implemented Risk Mitigation Policy which is being monitored from time to time at all operational levels.

Internal Financial Control systems and their adequacy

The Company has in place adequate internal control procedures commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines, verifying its adequacy, effectiveness and application. The Audit Committee of the Company periodically reviews the existing internal control systems and takes necessary steps for updation / modification of the same as and when considered necessary.

The Company's internal control framework is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information and compliance with all applicable laws and regulations.

Financial Performance & Analysis highlights

₹ in lakhs

Particulars	As on 31.03.2019	As on 31.03.2018
Revenue from Operations	4788.85	3547.40
Other Income	42.00	51.41
Profit before Interest, Depreciation and Tax	(1419.49)	(1089.62)
Less: Interest	463.41	486.56
Profit before Depreciation and Tax	(1882.90)	(1576.18)
Less: Depreciation	107.65	106.94
Profit before Tax	(1990.55)	(1683.12)
Less: Tax expense	449.24	(643.28)
Profit/ (Loss) after Tax	(2439.79)	(1039.84)
Other Comprehensive Income	19.12	(25.68)
Total Comprehensive Income	(2420.67)	(1065.52)

Human Resource Development/ Industrial Relations

The Company firmly believes that Human Resources are invaluable assets for any Organization. The effective deployment of capital and furtherance of Company's business are intimately dependent on the quality of human resources. There is, therefore, a continuous review by the Management of the potentiality of the people employed and enhancement of their contribution to the Company through training and development programmes. Industrial relations with the employees remain cordial throughout the year under review. The total manpower strength as on 31st March, 2019 was 230.



Details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in key financial ratios:

Sl No.	Particulars	FY 2018-19	FY 2017-18	Change (%)	Explanation
1	Debtors Turnover Ratio (times)	111.24	22.67	390.63	Company is facing acute shortage of Working Capital resulting in low capacity utilisation. This has adversely impacted the results of the Company, its liquidity and growth.
2	Inventory Turnover Ratio ”	31.08	6.84	354.61	
3	Interest Coverage Ratio ”	(3.30)	(2.46)	34.01	
4	Current Ratio ”	0.32	0.51	(37.21)	
5	Debt Equity Ratio ”	(5.69)	8.65	(165.79)	
6	Operating Profit Margin (%)	(31.61)	(33.25)	(4.92)	
7	Net Profit Margin (%)	(50.95)	(29.32)	73.81	
8	Return on Net Worth (%)	155.80	(121.66)	(228.07)	

Cautionary Statement

Statement in the “Management’s Discussion and Analysis” section describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulation, tax regimes, economic developments within India and other factors such as litigation and labour negotiations.

Madhya Bharat Papers Limited

INDEPENDENT AUDITORS' REPORT

To
The Members of
Madhya Bharat Papers Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Madhya Bharat Papers Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘the Ind AS’) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



Key Audit Matters	How our audit addressed the key audit matter
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in accordance with Indian Accounting Standard 115 on “Revenue from Contract with Customers”.</p> <p>The application of the revenue accounting standard involves certain key judgements relating to transfer of property in goods, transfer of significant risk and reward of ownership, determination of transaction price and reasonability of collection.</p> <p>Refer to Notes no. 2.5 and 21 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures:</p> <p>We assessed the Company’s process for revenue recognition. Our audit approach in this respect was as follows:</p> <ul style="list-style-type: none"> (a) Evaluated the design of internal controls relating to implementation of the revenue accounting standard. (b) Selected a sample of continuing and new orders, and tested the operating effectiveness of the internal control, relating to identification of time of transfer of property in goods and transfer of significant risk and reward of ownership and considered the terms of the orders to determine the transaction price. (c) Performed analytical procedures for correctness of revenue recognition. (d) Evaluating the assumptions used by the Management in ascertaining performance obligation is satisfied over time or at a point in time in accordance with Ind AS 115. (e) Verified compliance with the presentation and disclosure requirements as per Ind AS and the Act. This test was conducted for the entire population. <p>Based on the above procedures performed we did not find any significant exceptions in revenue recognized.</p>

Information Other than the Standalone financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Madhya Bharat Papers Limited

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Emphasis of Matters

We draw attention to the following matter:



The company has suffered substantial losses in earlier years leading to erosion of its net worth as on 31st March, 2019. The company has prepared its financial statements on going concern basis for reason stated in Note No. 31 (23). However, the ability of the company to continue as a going concern is dependent upon the future profitability and viability of operations which presently cannot be commented upon.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - i. 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.
 - ii. 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.
 - iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - vi. 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements –Refer Note No. 31(1) to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. P. Agrawal & Co.
Chartered Accountants
Firm's Registration No .302082E

(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Date : 30th day of May, 2019
Place of Signature : Kolkata

Madhya Bharat Papers Limited

“Annexure A” to the Independent Auditor’s Report

Statement referred to in paragraph ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **Madhya Bharat Papers Limited** the Standalone Financial Statements for the year ended 31st March, 2019.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement,
- (ii) According to the information and explanations given to us, the inventory has been physically verified during the year by the management. In our opinion, no material discrepancies were noticed on such physical verification.
 - (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (iii)(b) and (iii) (c) of paragraph 3 of the said order are not applicable to the Company.
 - (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 & 186 of the Act, with respect to the loans and investment made.
 - (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
 - (vi) To the best of our knowledge and according to the information given to us, the Central Government has prescribed maintenance of cost records under section 148(1) of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
 - (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues to the appropriate authorities during the year. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues as at 31st March, 2019 which have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or Government. The Company has not issued any debentures.



-
- (ix) The Company did not raise any money by way of initial public offer and further public offer (including debt instrument). To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the company has paid/ provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- (x) 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.
- (xi) 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 Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xii) According to the information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xiv) According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E

(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Date : 30th day of May, 2019
Place of Signature : Kolkata

Madhya Bharat Papers Limited

Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Madhya Bharat Papers Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



-
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No .302082E

(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421

Date : 30th day of May, 2019
Place of Signature : Kolkata

Madhya Bharat Papers Limited

Balance Sheet as at 31st March, 2019

₹ in lakhs

Sl. No.	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	
I ASSETS					
(1) Non - current assets					
(a)	Property, plant and equipment	4	5940.18	6116.28	
(b)	Capital work-in-progress		79.10	79.10	
(c)	Financial assets				
(i)	Investments	5	46.13	55.78	
(d)	Deferred tax assets (net)	6	0.00	449.24	6700.40
(2) Current assets					
(a)	Inventories	7	612.73	1076.22	
(b)	Financial assets				
(i)	Trade and other receivables	8	43.05	156.46	
(ii)	Cash and cash equivalents	9	8.44	4.41	
(iii)	Bank balances other than cash and cash equivalents	10	32.98	30.25	
(iv)	Other financial assets	11	337.83	187.72	
(c)	Other current assets	12	244.62	92.28	1547.34
Total Assets			7345.06	8247.74	
II. EQUITY AND LIABILITIES					
(1) Equity					
(a)	Share capital	13	341.00	341.00	
(b)	Other equity	14	(1906.95)	513.73	854.73
Liabilities					
(2) Non - current liabilities					
(a)	Financial liabilities				
(i)	Borrowings	15(i)	3113.46	2895.38	
(ii)	Other financial liabilities	16	1707.32	1270.10	
(b)	Provisions	17(i)	25.26	29.86	
(c)	Other non-current liabilities	18	101.95	188.69	4384.03
(3) Current liabilities					
(a)	Financial liabilities				
(i)	Borrowings	15(ii)	880.98	696.66	
(ii)	Trade payables:	19			
(a)	Total outstanding dues of micro and small enterprises		23.34	10.09	
(b)	Total outstanding dues of creditors other than micro and small enterprises		1596.69	1211.17	
(iii)	Other financial liabilities	16(ii)	252.78	243.78	
(b)	Other current liabilities	20	1202.49	837.22	
(c)	Provisions	17(ii)	6.74	10.06	3008.98
Total Equity and Liabilities			7345.06	8247.74	
Corporate information					
Significant accounting policies and estimates			2-3		
Other disclosures			31		
The accompanying notes 1 to 31 are an integral part of the standalone financial statements.					

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Jagdish Dua

Chief Financial Officer

V. K. Khanna

Executive Director &

Company Secretary

DIN - 00123393

R. L. Kapur

Director

DIN - 00002483

Jaydeep Chitlangia

Managing Director

DIN - 00094002

Place of Signature: Kolkata

Date: 30th May, 2019


Statement of Profit & Loss for the year ended 31st March, 2019
₹ in lakhs

Sl. No.	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
I.	Revenue from operations	21	4788.85	3547.40
II.	Other income	22	42.00	51.41
III.	Total income (I+II)		4830.85	3598.81
IV.	Expenses:			
	Cost of materials consumed	23	2782.12	2400.47
	Excise duty on sale of goods		-	28.14
	Changes in inventories of finished goods and work-in-progress	24	418.36	(55.14)
	Employee benefits expense	25	517.09	509.01
	Finance costs	26	463.41	486.56
	Depreciation and amortisation expense	27	107.65	106.94
	Other expenses	28	2532.77	1805.95
	Total expense		6821.40	5281.93
V.	Loss before exceptional items and tax (III-IV)		(1990.55)	(1683.11)
VI.	Exceptional items		-	-
VII.	Loss before tax (V-VI)		(1990.55)	(1683.11)
VIII.	Tax expense	29		
	Current tax		-	-
	Deferred tax		449.24	(643.28)
			449.24	(643.28)
IX.	Loss for the year (VII-VIII)		(2439.79)	(1039.84)
X.	Other comprehensive income	30		
	(i) Items that will not be reclassified to profit or loss		19.12	(39.27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	13.59
	Total other comprehensive income		19.12	(25.68)
XI.	Total comprehensive income for the year (IX + X)			
	(Comprising of loss and other comprehensive income for the year)		(2420.67)	(1065.52)
XII.	Earnings per equity share (Nominal value per share ₹ 10/-)			
	[Refer Note No. 31(I)]			
	- Basic (₹)		(71.55)	(30.49)
	- Diluted (₹)		(71.55)	(30.49)
	Number of shares used in computing earnings per share			
	- Basic		3410000	3410000
	- Diluted		3410000	3410000
	Corporate information	1		
	Significant accounting policies and estimates	2-3		
	Other disclosures	31		
	The accompanying notes 1 to 31 are an integral part of the standalone financial statements.			

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Jagdish Dua

Chief Financial Officer

V. K. Khanna

Executive Director &

Company Secretary

DIN - 00123393

R. L. Kapur

Director

DIN - 00002483

Jaydeep Chitlangia

Managing Director

DIN - 00094002

Place of Signature: Kolkata

Date: 30th May, 2019

Madhya Bharat Papers Limited

Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash flow from operating activities		
Loss before exceptional items and extra ordinary items and tax	(1990.55)	(1683.11)
Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :		
Finance costs	463.41	486.56
Depreciation and amortisation expense	107.65	106.94
Loss on sale/discard of property, plant and equipment	133.49	0.75
Fair value loss/(gain) on financial instruments through profit or loss	9.64	44.74
Liabilities no longer required written back	(15.26)	0.00
Profit on sale of non-current investment	0.00	0.00
Interest income	(24.38)	(50.18)
	674.55	588.81
Operating profit before working capital changes	(1316.00)	(1094.30)
Adjustments to reconcile operating profit to cash flow provided by changes in working capital :		
Increase /(decrease) in trade and other payables	398.77	278.33
Decrease/(increase) in non current financial assets	0.01	0.48
Increase /(decrease) in non current other financial liabilities	437.22	(29.46)
Increase /(decrease) in other current financial liabilities	9.00	63.90
Increase /(decrease) in other non current liabilities	(86.74)	188.69
Increase /(decrease) in other current liabilities	365.27	301.30
Increase /(decrease) in provision for employee benefits	26.45	(30.79)
Decrease/(increase) in inventories	463.49	6.48
Decrease/(increase) in trade and other receivables	113.41	(78.80)
Decrease/(increase) in other financial assets	(149.99)	77.37
Decrease/(increase) in other current assets	(152.34)	(16.41)
	1424.55	761.09
Cash (used in) /generated from operations	108.55	(333.21)
Tax expense	-	-
Cash flow before exceptional and extraordinary items	108.55	(333.21)
Exceptional item	-	-
Net cash generated from/(used in) operating activities (A)	108.55	(333.21)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(65.04)	(56.14)
Sale of fixed assets	0.00	3.78
Fixed deposits redeemed from bank	(2.73)	10.91
Interest received	24.26	55.70
Net cash used in investing activities (B)	(43.51)	14.25
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	218.07	832.21
Repayment of long-term borrowings	-	(3.28)
Proceeds/(repayment) of short-term borrowings (net)	184.33	(33.92)
Interest expense	(460.81)	(482.86)
Other borrowing costs	(2.60)	(3.70)
Net cash (used in)/generated from financing activities (C)	(61.01)	308.45
Net decrease in cash and cash equivalents (A+B+C)	4.03	(10.51)
Opening cash and cash equivalents	4.41	14.92
Closing cash and cash equivalents for the purpose of Cash Flow Statement	8.44	4.41

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the ‘‘ Indirect Method ‘‘ as set out in the Indian Accounting Standard (IND AS) 7 on Statement of Cash Flows.
- 2) Proceeds/(repayment) of/from Commercial paper and other Short-term borrowings qualify for disclosure on net basis.
- 3) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 4) Cash and cash equivalents as at the Balance Sheet date consists of:

	As at 31st March, 2019	(₹ in lakhs) As at 31st March, 2018
a) Balance with banks on current accounts	7.02	2.41
b) Cash on hand	1.42	2.00
Closing cash and cash equivalents for the purpose of Cash Flow Statement (Note no. 9)	8.44	4.41

- 5) Change in Company’s liabilities arising from financing activities:

	(₹ in Lakhs)			
	As at 31st March, 2018	Cash flows* Non-Cash Flows	As at 31st March, 2019	
Long term borrowings [Refer Note No. 15 (i)]	2895.38	218.07	-	3113.46
Short term borrowings [Refer Note No. 15 (ii)] **	696.66	184.32	-	880.98
Total	3592.04	402.39	-	3994.44

* Includes cash flows on account of both principal and interest.

** Cash flows represents cash flows during the year on net basis

- 6) Figure in brackets represent cash outflow from respective activities.
- 7) As breakup of Cash and cash equivalents is also available in Note No. 9, reconciliation of items of Cash and cash equivalents as per Cash Flow Statement with the respective items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm’s Registration No. - 302082E

For and on behalf of the Board of Directors

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Jagdish Dua

Chief Financial Officer

V. K. Khanna

Executive Director &

Company Secretary

DIN - 00123393

R. L. Kapur

Director

DIN - 00002483

Jaydeep Chitlangia

Managing Director

DIN - 00094002

Place of Signature: Kolkata

Date: 30th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(a) Equity share capital

For the year ended 31st March, 2019		For the year ended 31st March, 2018	
Balance as at 1 st April, 2018	Changes in equity share capital during the year	Balance as at 1 st April, 2017	Changes in equity share capital during the year
341.00	-	341.00	-
Balance as at 31 st March, 2019		Balance as at 31 st March, 2018	
341.00		341.00	

(b) Other equity

Particulars	Reserves and surplus				Other Comprehensive Income	Total other equity
	Capital reserves	Capital redemption reserve	General reserve	Retained earnings		
Balance as at 1st April, 2018	0.03	450.00	594.06	(530.36)	-	513.73
Changes in equity during the year ended 31st March, 2019	-	-	-	(2439.79)	-	(2439.79)
Profit for the year	-	-	-	19.12	-	19.12
Other comprehensive income/(loss) for the year	-	-	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Balance as at 31st March, 2019	0.03	450.00	594.06	(2951.03)	-	(1906.94)
Balance as at 1st April, 2017	0.03	450.00	594.06	535.15	-	1579.24
Changes in equity during the year ended 31st March, 2018	-	-	-	(1039.83)	-	(1039.83)
Profit for the year	-	-	-	(25.68)	-	(25.68)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Balance as at 31st March, 2018	0.03	450.00	594.06	(530.36)	-	513.73

The accompanying notes 1 to 31 are an integral part of the standalone financial statements.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(C.A. Rakesh Kumar Singh)

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 30th May, 2019

Jagdish Dua

Chief Financial Officer

V. K. Khanna

Executive Director &

Company Secretary

DIN - 00123393

R. L. Kapur

Director

DIN - 00002483

Jaydeep Chitlangia

Managing Director

DIN - 00094002

For and on behalf of the Board of Directors



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTES ON ACCOUNTS

1 CORPORATE INFORMATION:

Madhya Bharat Papers Limited (“the Company”) is a Public Company Limited by shares incorporated in India and is engaged in the business of manufacturing of Writing and Printing Papers based on Rice Straw as its main raw material.

The Company’s shares are listed on The Calcutta Stock Exchange Ltd.

Its registered office is situated at Village Birgahni, Champa - 495671, Chhattisgarh (India). The financial statements for the year ended 31st March, 2019 were approved for issue by the Board of Directors on 30th May, 2019.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

All the Ind ASs issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements approved for issue by the Board of Directors have been considered in preparing these financial statements.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.2 Recent pronouncements

(a) New and revised standards adopted by the Company

The Company has applied the following standards and amendments for the first time during the year ended 31st March, 2019:

Appendix B, foreign currency transactions and advance consideration to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates and Ind AS 12 – Income Taxes revised and made effective from 1st April, 2018.

The application of Ind AS 115 and revisions/amendments in other standards do not have any material impact on the financial statements.

(b) Standards issued but not yet effective

Ind AS 116 – Leases

Ind AS 116 is effective for period beginning on or after 1st April, 2019. It would replace previous lease standard Ind AS 17. Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and mandates accounting of all leases under single lease accounting model. A lessee is required to recognize ‘right-of-use asset’ its obligation to make payments against the same for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged representing the value of the right for using the underlying assets and a ‘lease liability’ representing its obligation to make payments against the same for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged.

Madhya Bharat Papers Limited

Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

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

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.3 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

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

All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest rupees in lakh as per the requirement of Schedule III to the Act, unless stated otherwise.

2.4 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. Based on the for the purpose of current or non-current classification of assets and liabilities. nature of products and their realization in cash and cash equivalents, the company has ascertained operating cycles as 12 months for its manufacturing business.

2.6 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and/or products /services are delivered/provided to the Customers. Delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer has either accepted the product in accordance with the contract or the Company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discount and rebates as determined/estimated based on sales volume or otherwise are deducted from sales. Interest income is recognized using the effective interest method.



2.7 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognised as at 1st April, 2016 measured as per the previous GAAP.

Impairment losses, if any, are recognised when carrying amount of asset exceeds its recoverable amount. Reversal of such loss is also accounted whenever situation so warrants, in accordance with the Indian Accounting Standard .

Capital work in Progress be assessed, reviewed and diminished adequately from time to time.

Pre-operative expenses relating to expansion / new projects are capitalised and allocated to building, plant & machinery, etc. on value basis.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Depreciation on items of PPE is provided on a straight line method to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013.

The estimated useful lives of PPE of the Company are as follows:

Building	30-60 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers & Audio visuals	3 years
Electrical installations	10 years

Depreciation on revaluation of Fixed Assets has been reduced from Revaluation Reserve account.

Each item of PPE individually costing Rs. 5,000/- or less is depreciated over a period of one year from the date the said assets is available for use.

The residual value of an item of PPE is not more than 5% of the original cost of the respective asset. Assets taken on lease other than leasehold land and building are not capitalised. Lease rentals are charged to revenue. Right to use the Resorts is considered as Leasehold building and amount paid is amortised over the tenure of the right. Lease hold building are depreciated over the tenure of the lease hold right. Lease hold land are depreciated over the tenure of the lease hold right.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value. For this purpose cost has been arrived at on the basis of weighted average cost formula. The cost of finished goods, WIP comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Provision for obsolescence is made wherever necessary.

2.9 Foreign currency transactions

Foreign currency transactions in respect of current assets and current/long term liabilities other than those incurred for acquisition of fixed assets, the overall net loss, if any, on conversion at the exchange rates prevailing on the date of the Balance Sheet, is charged to revenue but the overall net gain, if any, is not accounted for. In respect of liabilities incurred for acquisition of fixed assets, the net gain or loss on such conversion, is adjusted in the carrying value of the related assets.

Madhya Bharat Papers Limited

2.10 Employee Benefits

Post retirement employee benefits:

Post retirement benefits like Provident Fund and Defined Contribution Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company. Contributions required are recognised in the Statement of Profit & Loss on an accrual basis and funded with recognised funds set up for the purpose.

Defined Benefit plan like Gratuity is also maintained by the Company. Liabilities under the defined benefit schemes are determined through independent year end actuarial valuation and charge is recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the Statement of Profit & Loss.

The Company recognises in the Statement of Profit and Loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

Other Employee Benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absence are determined based on independent year end actuarial valuation and charge is recognised in the Statement of Profit & Loss. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

2.11 Borrowing Costs

Borrowing Costs, attributable to the acquisition of qualifying assets upto the date it is ready to put to use, are capitalised. Other borrowing costs are charged to statement of profit and loss.

2.12 Government Grants

Government Grants of the nature of project subsidy are credited to Capital Reserves as it is not specified to particular item / asset. In the case where any grant received in relation to specified Item / asset, such amount is adjusted with the specified item / asset, other government grants which are revenue nature, credited to Statement of Profit & Loss under the the head "Other Income".

2.13 Taxes

Taxes on income comprises of current taxes and deferred taxes.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.



2.14 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

2.15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

(a) When the Company is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases.

On initial recognition, the finance leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Payment made under operating leases are recognised as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

(b) When the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Payments received are recognised as income in the Statement of Profit and Loss on a straight line basis over the lease term. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

2.16 Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

i) Financial Assets

(a) Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents, Bank balances etc. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

(b) Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Madhya Bharat Papers Limited

Financial assets are classified as those measured at:

- (1) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (2) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (3) fair value through profit or loss (FVTPL), where the assets does not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents, Bank balances etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

(c) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(d) Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

(e) De-recognition

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. If the asset is one that is measured at:

- (i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.



-
- iii) Equity instruments
Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.
- iv) Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.
- v) Dividend distribution
Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.
- vi) Fair value measurement
Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 “Fair Value Measurement” (Ind AS – 113). For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.
- In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.
- The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

2.17 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

2.18 Cash Flow Statement

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

3 Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

Madhya Bharat Papers Limited

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(ii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(iii) Impairment of investments

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

(iv) Fair value measurement

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Provisions and contingent liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note No. : 4 Property, plant and equipment and Capital work-in-progress

(₹ in lakhs)

Particulars	Property, Plant and Equipment										Capital work-in-progress @	
	Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Furniture & Fixtures	Vehicles	Office equipment	Computers	Total			
Gross block												
Gross carrying amount as at 1st April, 2018	4060.51	3.23	451.87	1785.07	2.55	14.85	5.17	4.03	6327.28	79.10		
Additions during the year	-	-	0.19	62.46	-	-	0.36	2.03	65.04	-		
Reclassification made during the year	-	-	-	-	-	-	-	-	-	-		
Disposals/deductions during the year	-	-	9.59	122.73	0.50	0.15	0.48	0.06	133.51	-		
Gross carrying amount as at 31st March, 2019	4060.51	3.23	442.47	1724.80	2.05	14.70	5.05	6.00	6258.81	79.10		
Depreciation /amortisation/ impairment												
Accumulated depreciation / amortisation / impairment as at 1st April, 2018	-	0.08	37.35	170.53	-	0.87	1.58	0.58	210.99	-		
Depreciation/ amortisation for the year	-	0.04	17.25	87.17	-	1.98	0.91	0.29	107.64	-		
Impairment for the year	-	-	-	-	-	-	-	-	-	-		
Reclassification made during the year	-	-	-	-	-	-	-	-	-	-		
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-	-		
Accumulated depreciation / amortisation / impairment as at 31st March, 2019	-	0.12	54.60	257.70	-	2.85	2.49	0.87	318.63	-		
Net carrying amount as at 31st March, 2019	4060.51	3.11	387.87	1467.10	2.05	11.85	2.56	5.13	5940.18	79.10		
Gross block												
Gross carrying amount as at 1st April, 2017	4060.51	3.23	451.87	1735.42	2.41	17.14	4.32	4.03	6278.92	79.10		
Additions during the year	-	-	-	49.65	0.14	5.50	0.85	-	56.14	-		
Reclassification made during the year	-	-	-	-	-	-	-	-	-	-		
Disposals/deductions during the year	-	-	-	-	-	7.79	-	-	7.79	-		
Gross carrying amount as at 31st March, 2018	4060.51	3.23	451.87	1785.07	2.55	14.85	5.17	4.03	6327.27	79.10		
Depreciation /amortisation/ impairment												
Accumulated depreciation / amortisation / impairment as at 1st April, 2017	-	0.04	18.08	85.38	-	2.52	0.79	0.49	107.30	-		
Depreciation/ amortisation for the year	-	0.04	19.27	85.15	-	1.60	0.79	0.09	106.94	-		
Impairment for the year	-	-	-	-	-	-	-	-	-	-		
Reclassification made during the year	-	-	-	-	-	-	-	-	-	-		
Disposals/deductions during the year	-	-	-	-	-	3.25	-	-	3.25	-		
Accumulated depreciation / amortisation / impairment as at 31st March, 2018	-	0.08	37.35	170.53	-	0.87	1.58	0.58	210.99	-		
Net carrying amount as at 31st March, 2018	4060.51	3.15	414.52	1614.54	2.55	13.98	3.59	3.45	6116.28	79.10		

@ Plant and equipment / Civil work - in - progress.

Notes :

The Company has entered into various agreements in respect of land under finance lease arrangements. The lease agreements include renewal and escalation clause and do not provide the Company a right to sub-lease. For most of lease agreements, original lease term is 30 years subject to maximum of 90 years from the date of inception. These leasehold land have been mortgaged in favour of banks and other entities for securing the borrowings.

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note No. : 5 Non - current investments

Particulars	Face value	Number of Shares	As at 31st March, 2019 (₹ in lakhs)	Number of Shares	As at 31st March, 2018 (₹ in lakhs)
(i) Equity instruments Designated at fair value through profit or loss Fully paid up : Quoted					
Duroply Industries Ltd.	₹ 10	55,100	46.00	55,100	55.65
Total (A)			<u>46.00</u>		<u>55.65</u>
(ii) Post Office National Saving Certificates (Measured at amortised cost) Unquoted (Deposited with government authorities)			0.13		0.13
Total (B)			<u>0.13</u>		<u>0.13</u>
Total C = (A + B)			<u>46.13</u>		<u>55.78</u>
Aggregate amount of quoted investments			23.39		23.39
Aggregate market value of quoted investments			46.00		55.65
Aggregate investment carried at amortized cost			0.13		0.13
Aggregate investment designated at fair value through profit or loss			46.00		55.65



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note No. : 6 Deferred tax Assets (net)

As at 31st March, 2019

(₹ in lakhs)

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax assets					
Carried forward tax losses / unabsorbed depreciation	1992.09	(1992.09)	-	-	-
Others	29.30	(29.30)	-	-	-
	<u>2021.39</u>	<u>(2021.39)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	1568.81	(1568.81)	-	-	-
Others	3.34	(3.34)	-	-	-
	<u>1572.15</u>	<u>(1572.15)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net deferred tax liabilities / expense	<u>449.24</u>	<u>(449.24)</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31st March, 2018

(₹ in lakhs)

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax assets					
Carried forward tax losses / unabsorbed depreciation	1418.38	573.71	-	-	1992.09
Expenses allowable on payment basis	18.70	(32.29)	-	13.59	-
Others	-	29.30	-	-	29.30
	<u>1437.08</u>	<u>570.72</u>	<u>-</u>	<u>13.59</u>	<u>2021.39</u>
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	1609.88	(41.07)	-	-	1568.81
Investment	23.95	(23.95)	-	-	-
Others	10.89	(7.54)	-	-	3.34
	<u>1644.72</u>	<u>(72.56)</u>	<u>-</u>	<u>-</u>	<u>1572.15</u>
Net deferred tax liabilities/expense	<u>(207.64)</u>	<u>643.28</u>	<u>-</u>	<u>(13.59)</u>	<u>449.24</u>

In assessing the realisability of the deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized.

The ultimate realisation of the deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income during the periods in which the temporary difference become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and the planning strategies in making this assessment. Based on the historical taxable income and projection of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognised deductible differences carried forward losses and portion of unused tax credits.

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)

Note No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
7	Inventories (Valued at lower of cost and net realisable value, unless stated otherwise)				
	Raw materials	159.03		264.92	
	Add : Goods-in-transit	<u>73.15</u>	232.18	<u>-</u>	264.92
	Work-in-progress				
	Writing & printing papers		47.47		100.99
	Finished goods				
	Writing & printing papers		154.10		518.94
	Stores and spares	175.89		191.36	
	Add : Goods-in-transit	<u>3.09</u>	178.98	<u>-</u>	191.36
			<u>612.73</u>		<u>1076.22</u>
8	Trade and other receivables (carried at amortized cost)				
	<i>Current (Unsecured, considered good)</i>				
	Trade receivables		43.05		156.46
			<u>43.05</u>		<u>156.46</u>
9	Cash and cash equivalents				
	Balances with banks				
	On current accounts		7.02		2.41
	Cash on hand		1.42		2.00
			<u>8.44</u>		<u>4.41</u>
10	Bank balances other than cash and cash equivalents				
	Fixed deposits pledged with excise authorities and bank				
	Current portion of original maturity period more than 12 months		32.98		30.25
			<u>32.98</u>		<u>30.25</u>
11	Other financial assets				
	<i>(i) Current (Unsecured, considered good)</i>				
	Carried at amortized cost				
	Advances to employees		1.21		2.10
	Advance to others		271.69		155.90
	Security deposits		58.45		23.35
	Interest accrued but not due on		6.48		6.36
			<u>337.83</u>		<u>187.72</u>
12	Other current assets				
	<i>(Unsecured, considered good)</i>				
	Advances other than capital advances				
	Other advances				
	Advances to suppliers and others	235.01		85.12	
	Cenvat, Vat and other taxes / duties	<u>3.31</u>	238.32	<u>2.10</u>	87.22
	Others				
	Prepaid expenses		6.30		5.06
			<u>244.62</u>		<u>92.28</u>



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note No. : 13 Share capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
(a) Authorised				
Equity shares of par value ₹ 10/- each	25000000	2500.00	25000000	2500.00
Preference shares of par value ₹ 10/- each	5000000	500.00	5000000	500.00
		<u>3000.00</u>		<u>3000.00</u>
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹ 10/- each	3410000	341.00	3410000	341.00
		<u>341.00</u>		<u>341.00</u>

(c) Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
At the beginning of the year	3410000	341.00	3410000	341.00
Add:				
Shares issued	-	-	-	-
Less:				
Buyback of shares	-	-	-	-
At the end of the year	3410000	341.00	3410000	341.00

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Sudeep Chitlangia	490000	14.37	490000	14.37
Jaydeep Chitlangia	430000	12.61	430000	12.61
Sheela Chitlangia	274737	8.06	274737	8.06
Archana Chitlangia	250000	7.33	250000	7.33
Nikhilesh Chitlangia	190000	5.57	190000	5.57
IDBI Bank Limited	562937	16.51	562937	16.51
IFCI Limited	277436	8.14	277436	8.14
ICICI Bank Limited	227150	6.66	227150	6.66

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
14	Other equity		
	(a) Capital reserves		
	Balance as per last account	0.03	0.03
	(b) Capital redemption reserve		
	Balance as per last account	450.00	450.00
	(c) General reserve		
	Balance as per last account	594.06	594.06
	(d) Retained earnings		
	Balance as per last account	(530.37)	535.16
	Add: Net loss for the year	(2439.79)	(1039.84)
	Add: Other comprehensive income (net of tax) for the year	19.12	(25.68)
		<u>(2951.04)</u>	<u>(530.36)</u>
		<u>(1906.95)</u>	<u>513.73</u>

Notes:

- General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.
- Retained earnings represents the amount of accumulated loss of the Company.

15 Borrowings

(i) Non-current

Carried at amortized cost

Term loans

From entities other than banks

Unsecured

3113.46	2895.38
<u>3113.46</u>	<u>2895.38</u>

a) Repayment terms :

- From entities other than bank- Bullet payment as on 1st April, 2023

(ii) Current

Carried at amortized cost

Loans repayable on demand

Working capital loans

From banks

Secured

438.94	457.30
--------	--------

Other loans and advances

Working capital loans

From entities other than banks

Unsecured

442.04	239.36
<u>880.98</u>	<u>696.66</u>

Nature of securities :

Hypothecation of the Company's present & future stocks of raw material, consumable stores, finished & semi-finished goods & book debts, personal guarantee of managing director of the Company & also second charge on the fixed assets of the company.

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)			
Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
21	Revenue from operations		
	Sale of goods		
	Writing & printing papers	4788.85	3547.40
	Revenue from operations	<u>4788.85</u>	<u>3547.40</u>
22	Other income		
	Interest income on financial assets carried at amortized cost		
	Deposit with banks and others	24.38	50.18
	Liabilities no longer required written back	15.26	-
	Other non-operating income		
	Miscellaneous	2.36	1.23
		<u>42.00</u>	<u>51.41</u>
23	Cost of materials consumed		
	Waste paper	2782.12	2400.47
		<u>2782.12</u>	<u>2400.47</u>
24	Changes in inventories of finished goods and work-in-progress		
	Finished goods		
	Opening stock		
	Writing & printing papers	518.94	422.89
	Less : Closing stock		
	Writing & printing papers	154.10	518.94
	Total (A)	<u>364.84</u>	<u>(96.05)</u>
	Work-in-progress		
	Opening stock		
	Writing & printing papers	100.99	141.90
	Less : Closing stock		
	Writing & printing papers	47.47	100.99
	Total (B)	<u>53.52</u>	<u>40.91</u>
	Total (A+B)	<u>418.36</u>	<u>(55.14)</u>
25	Employee benefits expense		
	Salaries and wages	429.62	404.12
	Contribution to provident and other funds	62.38	77.95
	Staff welfare expense	25.09	26.94
		<u>517.09</u>	<u>509.01</u>



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)

Note No.	Particulars	As at 31st March, 2019		As at 31st March, 2018
26	Finance costs			
	(a) Interest expense			
	On long term borrowings	343.96	279.76	
	On short term borrowings	109.64	113.08	
	Others	7.21	90.03	482.87
	(b) Other borrowing costs		2.60	3.70
			463.41	486.56
27	Depreciation and amortisation expense			
	Depreciation and amortisation of property, plant and equipment <i>[Refer Note No. 4]</i>		107.65	106.94
			107.65	106.94
28	Other expenses			
	(a) Consumption of stores and spare parts		53.11	45.56
	(b) Dyes & chemicals		350.79	295.59
	(c) Power and fuel		1205.03	741.73
	(d) Rent		2.43	2.67
	(e) Repairs			
	Buildings	7.69	7.59	
	Machinery	141.52	98.84	
	Others	10.83	160.04	116.53
	(f) Insurance		9.51	19.32
	(g) Rates and taxes (excluding taxes on income)		243.79	199.59
	(h) Legal and professional expenses		95.94	109.92
	(i) Payments to auditor			
	As auditor for statutory audit	1.50	1.50	
	For taxation matters	0.30	0.30	1.80
	(j) Travelling expenses		23.88	21.20
	(k) Charity and donation		1.73	0.35
	(l) Directors' fees			
	(m) Vehicle running expenses		23.78	22.28
	(n) Miscellaneous expenses		112.10	82.28
	(o) Loss on sale/discard of property, plant and equipment (net)		133.49	0.75
	(p) Packing expenses		82.15	57.74
	(q) Freight & cartage outward		0.20	17.88
	(r) Sale commission & incentives		23.36	26.02
	(s) Fair value loss on financial instruments at fair value through profit or loss		9.64	44.74
			2532.77	1805.95

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
29	Tax expense		
	Current tax	-	-
	Deferred tax [Refer Note No. 6]	449.24	(643.28)
		<u>449.24</u>	<u>(643.28)</u>
	Reconciliation of Tax Expense		
	Profit before tax	-	-
	Applicable tax rate	-	-
	Computed tax expense (A)	<u>-</u>	<u>-</u>
	Adjustments for:		
	Utilization of unabsorbed loss and depreciation	(1568.81)	41.07
	Effect of carry forward tax losses/unobserved depreciation	1992.09	(573.71)
	Other temporary differences	25.96	(110.64)
	Net adjustments (B)	<u>449.24</u>	<u>(643.28)</u>
	Tax Expense	<u>449.24</u>	<u>(643.28)</u>
30	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Re-measurements of defined benefit plans	19.12	(39.27)
	Less: Income tax relating to items that will not be reclassified to profit or loss	-	13.59
		<u>19.12</u>	<u>(25.68)</u>

Note No. 31 Other disclosures

1 Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Claims against the Company not acknowledged as debts :		
(a) Demand raised by Government Authorities in respect of Taxes and Duties, Procurement of Renewable Energy Certificate	95.97	74.89
(b) Others - under appeal/litigation		
- Recovery Suit filed by suppliers	71.68	72.50
- Arbitration award received by the Company against Insurance Claim and contest by Oriental Insurance Company Ltd.	69.95	69.95
(ii) Guarantee issued by Company's bankers on behalf of the Company (Margin money of ₹ 15.52 lakhs, previous year ₹ 8.30 lakhs).	73.33	37.27

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

B. Commitments :

There is no amount of contracts remaining to be executed end of the year.

- 2 Section 80 IA of Income Tax Act is not applicable under the prevailing circumstances to the Company and in view of the same the Management has decided not to maintain separate records for Power Division.



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

3 Earning per Share (EPS) -The numerators and denominators used to calculate Basic / Diluted earnings per share :

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Amount used as the numerator (Rs. in lakh) Profit/(loss) after Tax	(2439.79)	(1039.85)
b) Number of equity shared used as denominator for Calculating Earning per Share	3,410,000	3,410,000
c) Weighted average number of equity shares used as denominator for calculating EPS.	3,410,000	3,410,000
d) Nominal Value per share (Rs.)	10	10
e) Basic Earning per share (Rs.)	(71.55)	(30.49)
f) Diluted Earning per share (Rs.)	(71.55)	(30.49)

4 Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent liabilities and Contingent assets:

No provisions for Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.

5 Segment information

The Company's business activity primarily falls within a single business segment i.e. manufacture of writing and printing papers, in term of Ind AS 108 on Operating Segment.

6 Related party disclosure

a) Name of the related parties and description of relationship :

- (i) Enterprises over which KMP and his relatives have significant influence :
- Chitperi Farm Pvt. Ltd.
 - Kinship Commercial Pvt. Ltd.
 - Limelight Housing Pvt. Ltd.
 - Poushali Sales Pvt. Ltd.
 - Pro Sports Management Ltd.
 - Sanskriti Trade Link Pvt. Ltd.
 - Duroply Industries Ltd.
- (ii) Key Management Personnel :
- Sri Jaydeep Chitlangia (Managing Director)
 - Sri Vinod Kumar Khanna (Whole time Director)

b) Transactions with Related parties :

(₹ in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Rent Received Duroply Industries Ltd.	0.12	0.12
(b) Purchase (raw material) Sanskriti Trade Link Pvt. Ltd.	59.62	160.20
Duroply Industries Ltd.	427.58	10.46
(c) Purchase (fixed assets) Duroply Industries Ltd.	0.00	5.50
(d) Rent Paid Duroply Industries Ltd.	0.66	0.74
(e) Interest Paid Chitperi Farm Pvt. Ltd.	26.23	22.50
Kinship Commercial Pvt. Ltd.	8.97	7.72
Limelight Housing Pvt. Ltd.	6.49	4.46
Poushali Sales Pvt. Ltd.	87.65	92.91
Sanskriti Trade Link Pvt. Ltd.	12.43	15.76
(f) Remuneration of KMP Sri Jaydeep Chitlangia	40.73	40.35
Sri Vinod Kumar Khanna	23.85	26.02
(g) Loans refunded Chitperi Farm Pvt. Ltd.	2.62	2.25
Kinship Commercial Pvt. Ltd.	10.90	21.77
Limelight Housing Pvt. Ltd.	0.65	16.45
Poushali Sales Pvt. Ltd.	47.52	122.56
Sanskriti Trade Link Pvt. Ltd.	23.81	409.40
(h) Loans taken Chitperi Farm Pvt. Ltd.	0.00	60.00
Kinship Commercial Pvt. Ltd.	2.05	62.92
Limelight Housing Pvt. Ltd.	10.99	26.39
Poushali Sales Pvt. Ltd.	73.50	113.02
Sanskriti Trade Link Pvt. Ltd.	3.50	446.53

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(d) Balance Outstanding at year end :

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Payable		
Chitperi Farm Pvt. Ltd.	285.88	262.28
Kinship Commercial Pvt. Ltd.	84.07	83.95
Limelight Housing Pvt. Ltd.	60.84	44.01
Poushali Sales Pvt. Ltd.	986.39	872.76
Sanskriti Trade Link Pvt. Ltd.	132.70	180.53
Duroply Industries Ltd.	290.14	10.46
Jaydeep Chitlangia	72.02	46.48
Vinod Kumar Khanna	33.81	24.65
(b) Investment in Shares		
Duroply Industries Ltd.	23.39	23.39

- 7 Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables is as follows:

(₹ in lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year *	23.34	10.04
(b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year	5.65	0.05
(c) The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year*	5.65	0.05
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under note no. 19.

8. Details of Loans given, investments made and guarantee given and security provided covered u/s 186(4) of the Companies Act, 2013:

- (i) Details of Loans given:
The Company has not given any loan.
- (ii) Details of Investments made:
Investment made is given under the respective note no. 5.
- (iii) Details of Guarantee given:
The Company has not given any Guarantee.
- (iv) Details of security provided:
The Company has not provided any security.

9 Employee Benefits :

As per Indian Accounting Standard - 19 "Employee Benefits", the disclosures of Employee Benefits are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund, Superannuation Fund, Employee State Insurance Corporation (ESIC) and Labour Welfare Fund are considered as defined contribution plan.



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

Defined Contribution Plan	Year ended 31st March, 2019	Year ended 31st March, 2018
Employer's Contribution to Provident Fund	11.24	10.79
Employer's Contribution to Pension Scheme	17.20	16.17
Employer's Contribution to Superannuation Fund	11.89	32.37
Employer's Contribution to Employees' State Insurance Scheme	11.36	10.19

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of service is entitled to specific benefit. The Gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age etc. The fund is in the form of a trust and is governed by the Board of Trustees who are responsible for the administration of the plan assets and for the investment of the plan. The Company contributes all ascertained liabilities towards gratuity to the trust.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts

a) Details of funded post retirement plans are as follows :

(₹ in lakhs)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-19	2017-18	2018-19	2017-18
I. Expenses recognised in the Statement of Profit and Loss:				
1 Current service cost	10.09	10.11	5.29	6.41
2 Past service cost	-	-	-	-
3 Net interest on the net defined benefit liability/asset	(1.86)	(4.98)	2.80	2.15
4 Curtailment	-	-	-	-
5 Settlement	-	-	-	-
6 Net actuarial(gain)/Loss recognised in the period	-	-	(8.97)	7.29
7 Expense recognised in the Statement of Profit and Loss	8.22	5.13	(0.88)	15.84
II. Other comprehensive income				
1 Actuarial gain / (loss) arising from:				
- change in demographic assumptions	-	-	-	-
- change in financial assumptions	0.44	(2.05)	-	-
- changes in experience adjustments	(11.32)	40.12	-	-
- others	-	-	-	-
2 (Returns)/loss on plan assets excluding amounts included in interest income	0.73	1.20	-	-
3 Components of defined benefit costs recognised in Other comprehensive income	(10.14)	39.27	-	-
III. Change in present value of defined benefit obligation :				
1 Present value of defined benefit obligation at the beginning of the year	230.29	188.76	39.92	31.44
2 Acquisition adjustment				
3 Interest expense	16.61	13.84	2.80	2.15
4 Past service cost				
5 Current service cost	10.09	10.11	5.29	6.41
6 Employees' contributions				
7 Benefits paid	(29.12)	(20.48)	(7.03)	(7.36)
8 Actuarial gain / (loss) arising from:			(8.97)	7.29
- change in financial assumptions	0.44	(2.05)	-	-
- changes in experience adjustments	(11.32)	40.12	-	-
9 Present value of Defined Benefit Obligation at the end of the year	216.99	230.29	32.01	39.92

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

IV. Change in fair value of plan assets during the year :				
1 Plan assets at the beginning of the year	239.94	242.80		
2 Interest income	18.48	18.82		
3 Employees' contributions	-	-	7.03	7.36
4 Employers' contributions	-	-		
5 Benefits paid	(29.12)	(20.48)	7.03	7.36
6 Settlement	-	-		
7 Re-measurement (Returns on plan assets excluding amounts included in interest income)	(0.73)	(1.20)		
8 Administration expenses	-	-		
9 Fair Value of Plan Assets at the end of the year	228.56	239.94		
V. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:				
1 Present value of Defined Benefit Obligation	216.99	230.29	32.01	39.92
2 Fair value of Plan Assets	228.56	239.94	0.00	-
3 Funded Status [Surplus/(Deficit)]	11.56	9.64	(32.01)	(39.92)
4 Net Asset / (Liability) recognised in Balance Sheet	11.56	9.64	(32.01)	(39.92)
Current Liability (Short term)	-	-	6.75	10.06
Non-Current Liability (Long term)	-	-	25.27	29.86
VI. Actuarial Assumptions :				
1 Discount Rate (per annum) %	7.70%	7.75%	7.70%	7.75%
2 Expected return on Plan Assets (per annum) %	7.70%	7.75%	-	-
3 Expected Rate of Salary increase %	6.00%	6.00%	6.00%	6.00%
4 Retirement/Superannuation Age (Year)	58	58	58	58
5 Mortality Rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
VII. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :				
1 Administered by Insurance Companies	100.00%	100.00%	-	-
2 Public Financial Institutions / Public Sector Companies bonds	-	-	-	-
3 Central / State Government Securities	-	-	-	-
4 Private sector bonds	-	-	-	-
5 Others (Cash and cash equivalents)	-	-	-	-
VIII. Maturity Profile of Defined Benefit Obligation				
Expected cash flows (valued on undiscounted basis):				
Year 1	49.07	8.99	6.75	-
Year 2	62.13	73.26	6.97	-
Year 3	53.75	30.66	11.47	-
Year 4	21.65	51.98	1.81	-
Year 5	19.16	16.67	1.86	-
Year 6	11.03	17.31	0.87	-
Year 7	28.66	10.31	5.03	-
Year 8	13.19	26.49	0.83	-
Year 9	21.68	15.97	3.34	-
Year 10	9.53	15.62	0.73	-
Total expected payments	289.85	267.26	39.65	-
The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	4.07	4.59	3.94	-
IX. Sensitivity analysis on Present value of Defined Benefit Obligations:				
The sensitivity analyses has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.				
All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.				



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in lakhs)

X. The history of experience adjustments for funded post retirement plans are as follows :			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Gratuity:			
Present value of Defined Benefit Obligation	188.76	207.33	212.65
Fair value of Plan Assets	242.80	269.81	274.59
(Deficit)/Surplus	(54.04)	(62.48)	(61.94)
Effects of Asset Ceiling, if any	-	-	-
Net Asset / (Liability)	(54.04)	(62.48)	(61.94)
Leave Encashment			
Present value of Defined Benefit Obligation	31.44	34.93	36.39
Fair value of Plan Assets	-	-	-
(Deficit)/Surplus	(31.44)	(34.93)	(36.39)
Effects of Asset Ceiling, if any	-	-	-
Net Asset / (Liability)	(31.44)	(34.93)	(36.39)

(b) Risks related to defined benefit plans:

The main risks to which the Company is exposed in relation to operating defined benefit plans are :

- (i) **Mortality risk:** The assumptions adopted by the Company make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases in the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.
- (ii) **Market and liquidity risks:** These are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimise the risks, the structure of the portfolios is reviewed and asset-liability matching analysis are performed on a regular basis.

(c) Asset - liability management and funding arrangements

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

(d) The following are the assumptions used to determine the benefit obligation:

- (i) Discount rate: The yield of government bonds are considered as the discount rate. The tenure has been considered taking into account the past long term trend of employees' average remaining service life which reflects the average estimated term of the post - employment benefit obligations.
 - (ii) Rate of escalation in salary : The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
 - (iii) Rate of return on plan assets: Rate of return for the year was the average yield of the portfolio in which Company's plan assets are invested over a tenure equivalent to the entire life of the related obligation.
 - (iv) Attrition rate : Attrition rate considered is the management's estimate based on the past long- term trend of employee turnover in the Company.
- (e) The Gratuity and Provident Fund expenses have been recognised under “ Contribution to Provident and Other Funds” and Leave Encashment under “ Salaries and Wages” under Note No. 25.

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note No. : 31 Other disclosures (contd.)

20. Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category

As at 31st March, 2019

(₹ in lakhs)

Sl. No.	Particulars	Total Fair Value	Carrying value					Total
			Cost	Deemed cost	Amortized cost	FVTOCI	FVTPL	
(1)	Financial assets							
	(a) Investments	46.13	-	-	-	-	46.13	46.13
	(b) Trade and other receivables	43.05	-	-	43.05	-	-	43.05
	(c) Cash and cash equivalents	8.44	-	-	8.44	-	-	8.44
	(d) Bank balances other than cash and cash equivalents	32.98	-	-	32.98	-	-	32.98
	(e) Other financial assets	337.83	-	-	337.83	-	-	337.83
	Total	468.42	-	-	422.30	-	46.13	468.42
(2)	Financial liabilities							
	(a) Borrowings	3994.44	-	-	3994.44	-	-	3994.44
	(b) Trade and other payables	1620.03	-	-	1620.03	-	-	1620.03
	(c) Other financial liabilities	1960.10	-	-	1960.10	-	-	1960.10
	Total	7574.57	-	-	7574.57	-	-	7574.57

As at 31st March, 2018

(₹ in lakhs)

Sl. No.	Particulars	Total Fair Value	Carrying value					Total
			Cost	Deemed cost	Amortized cost	FVTOCI	FVTPL	
(1)	Financial assets							
	(a) Investments	55.78	-	-	-	-	55.78	55.78
	(b) Trade and other receivables	156.46	-	-	156.46	-	-	156.46
	(c) Cash and cash equivalents	4.41	-	-	4.41	-	-	4.41
	(d) Bank balances other than cash and cash equivalents	30.25	-	-	30.25	-	-	30.25
	(e) Other financial assets	187.72	-	-	187.72	-	-	187.72
	Total	434.62	-	-	378.85	-	55.78	434.62
(2)	Financial liabilities							
	(a) Borrowings	3592.04	-	-	3592.04	-	-	3592.04
	(b) Trade and other payables	1221.26	-	-	1221.26	-	-	1221.26
	(c) Other financial liabilities	1513.89	-	-	1513.89	-	-	1513.89
	Total	6327.19	-	-	6327.19	-	-	6327.19

B. Fair value hierarchy

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

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

(i) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

The following tables provide the fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis:

- (i) Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2019:

(₹ in lakhs)

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets				
	At FVTPL				
	Investments in equity instruments	-	-	46.00	46.00
	Total financial assets	<u>-</u>	<u>-</u>	<u>46.00</u>	<u>46.00</u>

- (ii) Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2018:

(₹ in lakhs)

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets				
	At FVTPL				
	Investments in equity instruments	-	-	55.65	55.65
	Total financial assets	<u>-</u>	<u>-</u>	<u>55.65</u>	<u>55.65</u>

There have been no transfers between Level 1 and Level 2 either during the year ended 31st March, 2019 or during the year ended 31st March, 2018.

Reconciliation of opening and closing balances for Level 3 fair value:

(₹ in lakhs)

Particulars	Investments in equity shares
Balance as at 1st April, 2017	100.87
Net re-measurement gain recognised during the year	-48.97
Sold during the year	3.75
Balance as at 31st March, 2018	55.65
Net re-measurement loss recognised during the year	-9.65
Sold during the year	0.00
Balance as at 31st March, 2019	46.00

21. Financial risk management objectives and policies

The Company's principal financial liabilities includes Borrowings, Trade payable and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and Other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below :

- (a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

- (i) **Interest rate risk**

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

Madhya Bharat Papers Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

(ii) Regulatory risk

Paper industry is regulated both by central government as well as state government. Central and state governments policies and regulations affects the Paper industry and the Company's operations and profitability.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 60 days.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

The ageing analysis of the receivables has been considered from the date the invoice falls due:

Particulars	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Upto 6 months	37.91	145.10
More than 180 Days	5.14	11.36
	<u>43.05</u>	<u>156.46</u>

(ii) The change in the loss allowances measured using life time expected credit loss model is nil. Also, no significant changes in estimation were made during the reported period.

(iii) Balances with banks

Credit risk from balances with banks is managed in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2018 and 1st April, 2019 is the carrying amounts as stated under note no. 9 and 10.

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers.

(d) Lien

(i) The fair values of the fixed deposits under lien aggregated to Rs. 32.52 lakhs (Previous year Rs.29.80 lakhs) which was held as Margin Money against Bank Guarantee/Letter of credit.

(ii) The fair values of the fixed deposits under lien aggregated to Rs. 0.45 lakhs (previous year Rs. 0.45 lakhs) which was pledged with Sales Tax Authorities.

22. Capital Management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2018.



Notes forming part of the Financial Statements for the year ended 31st March, 2019 (Contd.)

23. The financial statement which indicates that the Company has accumulated losses and its net worth has been fully eroded. It is felt that the status of the Company will improve in the following years. the Management is in the process of rationalizing the expenses as well as considering the measures to generate revenue. Further, with the improvement in the industrial scenario, the company is able to utilise its production capacities and it is expected that the overall financial health of the Company would improve considerably. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis.
24. The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

For and on behalf of the Board of Directors

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Jagdish Dua

Chief Financial Officer

V. K. Khanna

*Executive Director &
Company Secretary*

DIN - 00123393

R. L. Kapur

Director

DIN - 00002483

Jaydeep Chitlangia

Managing Director

DIN - 00094002

Place of Signature: Kolkata

Date: 30th May, 2019

PROXY FORM

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

**MADHYA BHARAT PAPERS LIMITED**

Regd. Office: Village Birgahni, Rly & Post Champa-495 671, Dist. Janjgir-Champa, Chhattisgarh

CIN: L21012CT1980PLC001682, Tel: 09203906288

E-mail: info@mbpl.in, Website: www.mbpl.in

Name of the member(s)	E-mail Id:
Registered Address:	Folio No./*Client Id:
	*DP Id :

I/We, being the member(s) holding _____ shares of **Madhya Bharat Papers Limited**, hereby appoint:

- 1) _____ of _____
having e-mail id _____ or failing him
- 2) _____ of _____
having e-mail id _____ or failing him
- 3) _____ of _____
having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on Thursday, 26th September, 2019 at 11 a.m. at the Registered Office of the Company at Champa, Dist. Janjgir-Champa, Chhattisgarh and at any adjournment thereof in respect of such resolutions as are indicated below:

SI No.	Resolution	For	Against
Ordinary Business			
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Appoint a Director in place of Smt Deepa Maheshwari who retires by rotation and being eligible offers herself for reappointment.		
Special Business			
3	To re-appoint Shri Jaydeep Chitlangia as Managing Director of the company for a term of 3 years with effect from 1 st April, 2019		
4	To re-appoint Shri Abhas Sen as an Independent Director of the Company		
5	To appoint Shri Manoj Ranjan as an Independent Director of the Company		

*Applicable for investors holding shares in electronic form.

Affix Revenue
Stamp of
₹ 1/-

Signed this _____ day of _____ 2019

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM i.e. by 11 a.m. on 24th September, 2019.

