

NOTE 16: TRADE RECEIVABLES

Z

	As at 31st March, 2016	As at 31st March, 2015
Debts Overdue Beyond 6 Months		
Unsecured, Considered Good	137,981,805	166,795,288
Others		
Unsecured, Considered Good	132,496,333	50,649,006
	As at 31st March, 2016	M at 31st March, 2015
Cash-In-Hand		
Cash Balance	2,389,736	2,103,486
Sub Total (A)	2,389,736	2,103,486
Bank Balance		
In Current Accounts	303,654	3,290,382
In Deposit Accounts	10,289,111	118,771
In Dividend Accounts	379,717	552,600
Sub Total (II)	10,972,482	3,961,753
Total of Cash And Cash Equivalent (A) + (B)	13,362,218	6,065,239
Total Of Trade Receivables	270,478,138	217,444,294

NOTE 17: CASH AND CASH EQUIVALENTS

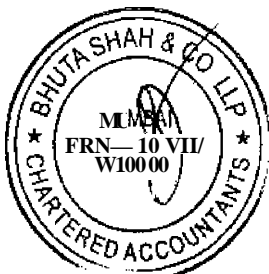
Includes Deposit With Banks Of **10,289,111**- (31 March 2015: 118,771/-) with **original maturity of more than 12 months**.

NOTE 18 : SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
Loans & Advances To Related Parties		
Unsecured, Considered Good		
Loan To Subsidiary - E-Class Education System Ltd.	137,179,990	223,231,138
Others		
Unsecured, Considered Good		
Advance To Suppliers	24,955,069	28,063,397
Advance Income Tax	11,431,128	12,955,052
Balance With Revenue Authorities	4,796,233	3,356,033
Prepaid Expenses	5,800,414	567,847
Advance To Employees	339,590	364,590
Other Advances	48,808,509	71,456,720
Total Of Short Term Loans And Advances	233,310,933	339,994,777

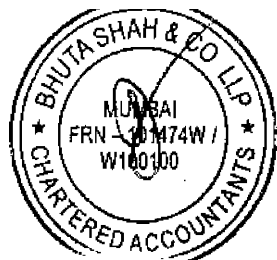
NOTE 18.1: DISCLOSURE REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

	As at 31 st March, 2016		As at 31 st March, 2015	
	Balance	Maximum outstanding during the Year	Balance	Maximum outstanding during the Year
Loans & Advances To Related Parties include loans to subsidiaries				
Loan to Subsidiary- E Class Education System Ltd	137,179,990	223,231,138	223,231,138	223,231,138



NOTE 19: OTHER CURRENT ASSETS

	As at 31st March, 2016	As at 31st March, 2015
Dividend Receivable	7,500	/5,000
Interest Receivable	39,503	139,503
Total Of Other Current Assets	147,003	154,503



SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 20: REVENUE FROM OPERATIONS

	As at 31st March, 2016	As at 31st March, 2015
Sale of Products		
Local Sales	856,686,553	852,366,118
Trading Sales	128,022,189	5,317,124
Other Operating Revenues	984,708,743	857,683,242
Advertisement Income	555,000	900,000
	985,263,743	858,583,242
Less: Excise Duty	25,051,136	25,558,646
Total Of Revenue From Operations	960,212,607	833,024,596

NOTE 21: OTHER INCOME

	As at 31st March, 2016	As at 31st March, 2015
Dividend		7,500
Exchange Fluctuation On Exports	1,378,459	1,943,521
Sundry Balance Written Back	1,162,372	-
Total Of Other Income	2,740,831	1,951,021

NOTE 22 : COST OF MATERIAL CONSUMED

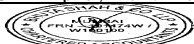
		As at 31st March, 2015
Raw Material Consumed		
Opening Stock	106,344,239	166,882,137
Add: Purchases	597,477,579	671,546,086
		(160,661,213)
Raw Material Sales	16,062,183	21,957,356
Transport Inwards	719,884,001	699,724,366
	121,373,047	106,344,239
Less: Closing Stock	598,510,955	593,380,127

NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	As at 31st March, 2016	M at 31st March, 2015
Inventory (at Commencement)		
Opening Stock-Finished Goods	48,350,188	18,610,835
Opening Stock-Work In Progress	105,135,306	170,975,002
Opening Stock-Stock-in-Trade	357,096,552	207,093,750
Less: Inventory (at Close)		
Less: Trading Stock Transfer Exceptional items	106,545,954	-
Less: Closing Stock-Finished Goods	24,438,655	48,350,188
Less: Closing Stock-Work In Progress	110,080,633	105,135,306
Less: Closing Stock-Stock-in-Trade	146,328,161	357,096,552
Total Of Changes In Inventories Of Finished Goods And Work-In-Progress	123,188,643	113,902,459)

NOTE 24: EMPLOYMENT BENEFIT EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Salaries Ar Wages	27,151,025	28,778,867
Contribution To Provident Fund, Gratuity And Other Funds	1,110,809	1,686,303
Director's Remuneration	3,000,000	5,250,000
Staff Welfare	269,090	393,984
Total Of Employment Benefit Expenses	31,530,924	36,109,154



NOTE 25: FINANCE COST

	As at 31st March, 2016	As at 31st March, 2015
Interest Expenses	118,415,093	149,112,550
Other Borrowing Costs	4,275,687	8,731,708
Less: Interest Capitalised	-	-
	122,690,780	157,844,258
Less: Interest Income	23,213,543	36,198,505
Total Of Finance Cost	99,477,237	121,645,753

NOTE 26: DEPRECIATION & AMORTIZATION EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Depredation	22,743,588	29,056,781
Amortisation Of Intangibles	10,027,979	4,011,192
Total Of Depreciation & Amortization Expenses	32,771,567	33,067,973

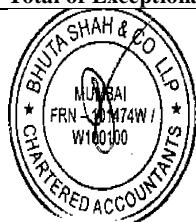
NOTE 27: OTHER EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Note 27 A: Manufacturing Expenses		
Power And Fuel	3,025,476	2,749,627
Job Work Expenses	11,449,727	12,833,794
Repair & Maintenance To Building	305,198	684,180
Repair & Maintenance To Machinery	3,683,157	2,781,657
Security Expenses	-	289,267
Service Tax	587,527	1,161,878
Other Manufacturing Exp	-	35,150
Stores & Packing Material Consumed	22,606,964	48,611,663
Sub Total Note 27 A	41,658,049	69,147,216
Note 27 B: Selling & Distribution Expenses		
Sales Promotion & Advertisement Expenses	336,316	321,479
Freight, Clearing & Forwarding Charges	3,024,631	2,785,120
Loading & Unloading Charges	3,900,098	2,336,235
Commission Charges	1,000,000	-
Tempo Expenses	1,990,690	2,698,921
Sub Total Note 27 B	10,251,735	8,141,755
Note 27 C: Administrative Expenses		
Rent Expenses	1,299,431	803,897
Insurance Expenses	604,421	3,398,795
Rates & Taxes Expenses	236,462	354,876
Wealth Tax	-	70,020
Motor Car Expenses	442,146	953,191
Travelling Expenses	144,940	780,487
Computer Maintenance	93,910	30,596
Conveyance Expenses	35,856	26,357
Postage & Courier	5,825	305,601
Legal, Professional & Consultancy Charges	7,269,942	2,615,533
Printing & Stationery	1,230,989	533,952
Auditors Remuneration (Refer Note - 32)	1,160,000	375,000
Electricity Expenses	206,474	724,560
Exchange Fluctuation On Exports	58,935	-
Listing & Registration Fees	604,235	486,714
Loss On Sale Of Fixed Assets (Net)	1,488	-
Subscription Charges	16,302	39,180
Sundry Balance W/Off		7,160,768
Telephone Expenses	345,517	564,946
Sundry Expenses	2,442,613	375,211
Sub Total Note 27 C	16,199,487	19,599,684
Total of Other Expenses (Note 27 A+ 27 B+ 27 C)		96,888,655



NOTE 28: EXCEPTIONAL ITEMS

	As at 31 st March 2016	As at 31 st March 2015
Profit on Sale of Fixed Assets	37,638,965	83,456,086
Loss on Sale of Non-Moving Items	(106,545,954)	(116,379,845)
Reversal of Accrued Interest Receivable	35,855	(30,562,920)
Pre-Maturity of Keyman Insurance Policy	-	29,455,965
Total of Exceptional Items	(68,871,134)	(34,030,715)



Sundaram Multi Pap Limited

Notes forming part of Financial Statements

Note 29

Contingent Liability:

(Amount in Rs)

31 March 2016

31 March 2015

Excise duty matter disputed with Commissioner of

4,190,537

4,190,537

Central Excise (Appeals) - IV pertaining to FY 2012-13

(Dispute regarding demand raised on excise duty of usance charges for the financial year 2012-2013, matter disputed with Commissioner of Central Excise (Appeals) - IV)

Note 30

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 31

Balances of certain trade receivables, trade payables and loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material variation affecting the current year's financial statements on account of such reconciliation / adjustments.

Note 32

Auditors Remuneration:

(Amount in Rs)

Particulars	Current Year	Previous Year
Audit fees	400,000	300,000
Tax Audit fees	75,000	75,000
Income Tax Matters	760,000	-
Others	-	-
Total	123,5000	375,000

Note 33

Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

Note 34

Segment Reporting:

Primary Segment (Business):

The Company operates in single business segment of manufacture and sale of exercise note books and paper. Hence, further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.



Note 35

Related Party Disclosures:

- a) List of related parties with whom the Company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Wholly owned Subsidiary	E Class Education System Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman & Managing Director
	Mr. Shantilal P. Shah	Whole-time Director
	Mr. Hasmukh A. Gada (Resigned w.e.f. 1 April	Whole-time Director
	Mr. Manik R. Makwana	Company Secretary
Enterprise over which KMP are able to exercise significant influence	Sundaram Bio-Tech. Pvt. Ltd	Company
Relatives of KMP	Mr. Raichand P. Shah	Brother of Amrut P. Shah & Shantilal P. Shah

b) Transactions with Related Parties:

(Amount in Rs)

Particulars	Wholly Owned Subsidiary	KMP	Relatives of KMP
Loan given to E Class Education System Limited	100,101,800 (223,231,138)	- (-)	 (-)
Repayment of loan given to E Class Education System Limited (Z100,000,000/-Repayment by issue of share)	209,130,939 (-)	- (-)	- (-)
Interest charged on loan given to E Class Education System Limited	22,977,991 (36,198,505)	- (-)	- (-)
Particulars	Wholly Owned Subsidiary	KMP	Relatives of KMP
Loan Taken	- (-)	22,791,970 (126,621,391)	- (-)
Details are as under:			
Mr. Amrut P. Shah	-	7,431,200 (93,001,023)	- (-)
Mr. Shanti P. Shah	-	2,860,770	-
	(-)	(21,120,368)	(-)
Mr. Hasmukh A. Gada	-	-	-
	(-)	(12,500,000)	(-)



Repayment of Loan taken	- (-)	36,933,295 (94,765,101)	- (-)
Details are as under:			
Mr. Amrut P. Shah	- (-)	31,015,200 (74,616,699)	- (-)
Mr. Shantilal P. Shah	- (-)	4,975,395 (20,148,402)	- (-)
Mr. Hasmukh A. Gada	- (-)	942,700 (-)	- (-)
Remuneration	- (-)	3,000,000 (5,250,000)	1,500,000 (1,200,000)
Details are as under:			
Mr. Amrut P. Shah	- (-)	1,980,000 (2,000,000)	- (-)
Mr. Shantilal P. Shah	- (-)	1,020,000 (1,000,000)	- (-)
Mr. Hasmukh A. Gada	- (-)	(-) (2,250,000)	- (-)
Mr. Raichand P. Shah	- (-)	- (-)	1,500,000 (1,200,000)
Rent Paid to Mrs. Nayna S. Shah	- (-)	- (-)	- (189,000)
Interest Paid to Mr. Hasmukh A. Gada	- (-)	- (1,413,384)	- (-)

Figures in bracket reflects previous year's amount

c) Outstanding Balances of Related Parties:

(Amount in Rs)

Particulars	Wholly Owned Subsidiary	KMP	Enterprise over which KMP are able to exercise significant influence	Relatives of KMP
Short term Loans and advances/Recoverable	137,179,990 (223,231,138)	- (-)	- (3000)	- (-)
Short term Borrowings/Payable	- (-)	32,912,874	- (-)	- (46,902)
Investments	250,000,000 (150,000,000)	- (-)	- (-)	- (-)

Figures in brackets reflects previous year's amount



Note 36**Computation of Basic and Diluted Earnings Per Share (EPS):**

Particulars	Current Year	Previous Year
Net Profit/(Loss) After Tax available to equity shareholders (in Z)	(64,121,915)	(167,465,591)
Weighted average number of equity shares for Basic and Diluted EPS	215,605,773	215,605,773
Basic and diluted earnings per share (Face Value Z 1) (in Z)	(0.30)	(0.78)

Note 37**a) Details of Sales value of Products:**

Class of Goods	Sale Value Rs	
	For the year ended 31.03.2016	For the year ended 31.03.2015
Class of goods		
Exercise Books	831,635,417	826,807,471
Trading	128,022,189	5,317,124
Total	959,657,606	832,124,595

The above figures are net of excise duty of **Rs 25,118,841(P.Y. Rs 225,558,646)**

b) Details of opening & closing stock of Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
Exercise Books	48,350,188	17,798,242	24,438,655	48,350,188
Paper	-	812,593	-	-
Trading of Copier Paper & Others	357,096,552	207,093,750	146,328,161	357,096,552
Total	405,446,740	225,704,585	170,766,816	405,446,740

c) Details of Opening & Closing Stock of Semi-Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
Exercise Books	86,628,450	151,836,018	99,773,777	86,628,450
Paper	18,506,856	19,138,984	10,306,856	18,506,856
Total	105,135,306	170,975,002	110,080,633	105,135,306



Note 38**Value of Raw Material Consumed:**

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount Rs	%	Amount Rs	%
Raw Materials (Paper & Paper Boards)				
(i) Imported	598,510,955	100.00%	593,380,127	100.00%
(ii) Indigenous				
Total	598,510,955	100.00%	593,380,127	100.00%

Raw Material Purchase (Breakup)	2015-16 (Amt in Rs)
Paper	494,103,371
Duplex Board	82,866,786
Others	20,507,422
Total	597,477,579

Note 39**Earnings & Expenditure in Foreign Currency:****(Amount in Rs)**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Expenditure:		
Traveling Expenses	-	31,375

Note 40:**Employee benefits**

1. Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to Z 6,72Lacs (31 March 2015: Z12.66Lacs) have been charged to the Statement of Profit and Loss. The contributions payable to this plan by the Company is atrates specified in the rules of the scheme.

2. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.



The following table sets out the amounts recognized in the Company's financial statements as at 31 March 2016.

Particulars	As at March 2016
<u>Change in the Defined Benefit Obligation :</u>	
Opening Defined Benefit Obligation	2,492,083
Current Service Cost	2,93,880
Interest Cost	1,99,367
Actuarial Losses/(Gain)	4,55,319
Past Service Cost	-
Actuarial Losses/(Gain) due to Curtailment	-
Benefits Paid	(550,491)
Closing Defined Benefit Obligation	2,890,158
<u>Change in Fair Value of Assets :</u>	
Opening Fair Value of Plan Assets	1,824,275
Expected Return on Plan Assets	132,331
Actuarial Gain/(Losses)	-
Contributions by Employer	297,607
Assets Acquired on Acquisition / (Distributed on Divestiture)	-
Benefits Paid	(550,491)
Closing Fair Value of Plan Assets	1,703,722
<u>Amount Recognized in Balance Sheet :</u>	
Present Value of Funded Obligation	2,890,158
Fair Value of Plan Assets	1,703,722
Unrecognized Past Service Cost	-
Net Obligation recognized in Balance Sheet	1,186,436
Expenses Recognized in Statement of Profit & Loss	

Account:	
Current Service Cost	2,93,880
Interest on Defined Benefit Obligation	1,99,367
Expected Return on Plan Assets	(132,331)
Net Actuarial Gain/(Loss) recognized in the year	455,319
Expenses Recognized in Statement of Profit & Loss Account	816,235
<u>Summary of Principal Actuarial Assumptions :</u>	
Discount Rate (p.a)	8%
Expected Rate of Return on Assets (p.a)	
Salary Escalation Rate (p.a)	4%

Note 41

Disclosure in respect of lease:

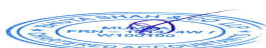
The Company has entered into operating lease arrangements for office premises. The leases are Non-cancellable and are for a period of 1 November 2014 to 31 October 2017 and may be renewed for a further period of 2 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payment by 8 to 10% every year.

	(Amount in Rs)	
Future minimum Tease payments	2016	2015
Not later than one year	1,085,450	1,020,000
Later than one year and not later than five years (Up to 31" October, 2019)	3,013,130	4,098,580
Later than five years		

Lease payments of Rs 1,020,000 (31 March 2015: 425,000) recognised in the Statement of Profit and Loss.

Note 42

On 14th November 2014, the Board of Directors announced a plan to permanently close down Nagpur Paper Unit subject to the completion of necessary formalities. This is not a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Company's long-Term strategy to focus its activities at Palghar unit. The Company is actively seeking a buyer for the plant & machineries and other fixed assets at Nagpur unit and hopes to complete the sale by the end of March 2017. At 31 March 2016, the carrying amount of the assets of the Nagpur unit was Rs. 3107.03 Lakhs (previous year 3279.31 lakhs) and its liabilities were' 415.52 lakhs (previous year Z 419.74 lakhs). In the opinion of the Board of Directors, the assets have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.



Particulars	For the Year Ended on 31-03-2016	For the Year Ended on 31-03-2015
Revenue	380,230	370,418
Expenditure	23,265,338	2,226,218
Loss on sale of Asset	(5,074,739)	(13,641,745)
Profit Before Tax	(27,959,847)	(32,153,507)
Profit After Tax	(27,959,847)	(32,159,707)
Total Assets	410,538,488	442,866,788
Total Liabilities	41,552,653	41,974,112
Cash flow(used in)/from Operating Activities	(2,025,964)	(6,626,544)
Cash flow(used in)/from Investing Activities	2,125,000	6,425,537
Cash flow(used in)/ from Financing Activities	(1,998)	(92,399)

Note 43

Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act,2013

(Amount in Rs)

	31 March 2016	31 March 2015
Loans given by the company as at 31st March, 2016		
Investments made by the company as at 31st March, 2016	137,179,990	223,231,138
Total	250,000,000	150,000,000
	387,179,990	373,231,138

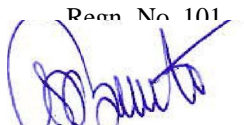


Note 44

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For **Bhuta Shah & Co. LLP**
Chartered Accountants

Regn. No. 101


Bhuta

Partner

Membership No. 03395

I W100100

Chairman & Managing Director
— MUMBAI ∞
FRN—101474/V
▪ W100100 CEDACC

For and on behalf of the Board of Directors



Amrut P. Shah

Chairman & Managing Director

Shantilal P. Shah
Whole-time Director



Manik R. Makwana

Rajesh B. Jain

Chief Financial Officer

Company Secretary

**Mumbai, 23rd May,
2016**



Independent Auditors' Report

To the Members of **SUNDARAM MULTI PAP LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SUNADARAM MULTI PAP LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application or 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

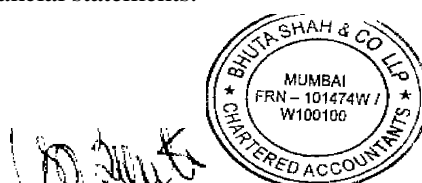
Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. The procedures selected depend on the - auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting and the reasonableness of the accounting estimates made by the Company's directors as, well as evaluating the overall presentation of the financial statements.



BHUTA SHAH & CO.

CHARTERED ACCOUNTANTS

controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- (a) *Note 40 to the standalone financial statements which describe provision for Gratuity is not determined by using actuarial techniques, which constitutes a departure from the Accounting Standard - 15 "Employee Benefits (revised 2005)".*
- (b) *Note 42 to the standalone financial statements which described that the Company has announced a plan to permanently close down Nagpur Paper Unit; however the Company has not given separate disclosure for discontinuing operation, which constitutes a departure from the Accounting Standard — 24 "Discontinuing Operations".*

Qualified Opinion

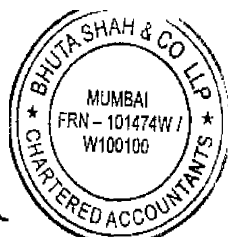
In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

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

- (a) Note 31 in the standalone financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/adjustments. Accordingly, no provision has been made in the financial statements
- (b) The investment in E-Class Education System Limited, a wholly owned subsidiary of the Company whose net worth has been fully eroded, is carried at Rs 150,000,000/- in the Balance Sheet as at March 31, 2015. Further, loans and advances given to this subsidiary amounting to Rs 223,231,138/- are outstanding as at March 31, 2015. The said investment and loan and advances, in wholly owned subsidiary are in the nature of strategic investment. Accordingly, no provision has been made in the financial statements.

Our opinion is not modified in respect of these matters.



BHUTA SHAH & CO.

CHARTERED ACCOUNTANTS

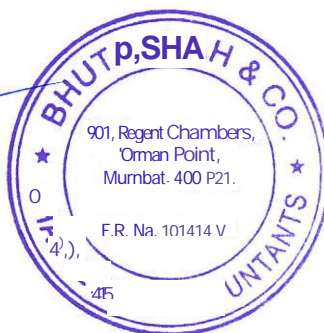
Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) except for the effect of matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

CA. Shailesh Bhuta

Partner
Membership No.: 033958
Mumbai, 21 May, 2015



BHUTA SHAH & CO.

CHARTERED ACCOUNTANTS

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

i) In respect of its fixed Assets:

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

ii) In respect of its Inventories:

- (a) As explained to us, the inventories have been physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:

- (a) The Terms of arrangement does not stipulate any repayment schedule and the loan are repayable on demand. In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
- (b) As there is no stipulation on the repayment of loan, therefore the question to take reasonable steps to recover overdue amount does not arise.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.

v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



BHUTA SHAH & CO.

CHARTERED ACCOUNTANTS

vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The company has generally been regular in depositing, undisputed statutory dues, including Provident Fund, Investor and Protection Fund, Employees' State Insurance, Income-tax, Central Sales-tax, Wealth Tax, Service Tax, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Central Sales Tax, Wealth Tax, Service Tax, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Excise duty which have not been deposited as on March 31, 2015 on account of disputes is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (INR)
Central Excise Law	Excise duty	Commissioner of Central Excise (Appeals) - IV	FY 2012-13	4,190,5371-

There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act 1956 (1 of 1956) and rules made there under within time.

viii) The Company does not have any accumulated losses at the end of the financial year and the Company has incurred cash losses during the financial year covered by our audit and has not incurred cash losses in the immediately preceding financial year.

ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there were several instances in which the Company had defaulted in repayment of dues to banks but the same were regularized in due course of time. However, total default in repayment of dues to banks and financial institutions amounting to INR 2,064,441 is not regularized as at 31 March 2015. The Company has not issued any debentures.

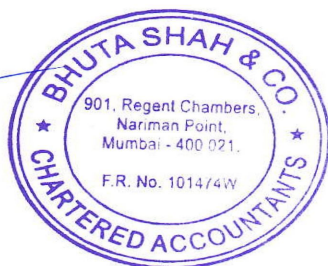
x) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any guarantee for loan taken by others from bank ' ' and financial institutions.

xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W


CA. Shallesh Bhuta
Partner
Membership No.: 033958
Mumbai, 21 May, 2015



SUNDARAM MULTI PAP LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
		₹	₹
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	3	215,605,773	215,605,773
Reserves And Surplus	4	912,840,045	1,365,873,063
		1,128,445,818	1,581,478,836
Non-Current Liabilities			
Long-Term Borrowings	5	468,470,386	197,451,667
Deferred Tax Liabilities (Net)	6	36,133,774	36,133,774
Long Term Provisions	7	3,391,297	2,691,297
		507,995,457	236,276,738
Current Liabilities			
Short-Term Borrowings	8	363,661,175	879,775,519
Trade Payables	9	94,370,945	140,495,914
Other Current Liabilities	10	222,242,426	145,641,756
Short-Term Provisions	11	4,004,198	2,522,479
		684,278,744	1,168,435,668
Total Equity & Liabilities		2,320,720,019	2,986,191,242
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	942,420,128	1,285,106,135
Intangible Assets	12A	20,055,954	24,067,146
		962,476,082	1,309,173,281
Non-Current Investments	13	150,050,000	150,050,000
Long Term Loans And Advances	14	4,107,629	13,589,063
		1,116,633,711	1,472,812,344
Current Assets			
Inventories	15	640,427,495	607,507,243
Trade Receivables	16	217,444,294	489,525,745
Cash And Cash Equivalents	17	6,065,239	6,109,612
Short-Term Loans And Advances	18	339,994,777	410,089,296
Other Current Assets	19	154,503	147,003
		1,204,086,308	1,513,378,899
Total Assets		2,320,720,019	2,986,191,242

Significant Accounting Policies

1 to 43

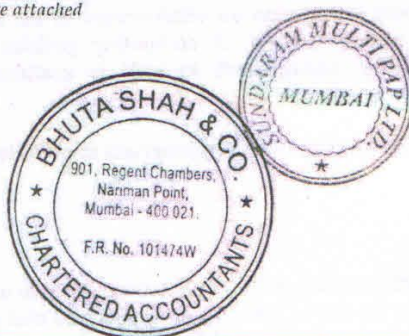
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Bhuta Shah & Co.
Chartered Accountants
Firm Reg. No.: 101474W

CA. Suresh Bhuta
Partner
Membership No.: 033958

Mumbai, 21st May, 2015



For and on behalf of the Board of Directors

Amrut P. Shah
Chairman & Managing Director

R. B. Jain
Rajesh B. Jain
Chief Financial Officer

Shantilal P. Shah
Whole-time Director

Manik R. Makwana
Company Secretary

SUNDARAM MULTI PAP LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
		₹	₹
INCOME			
Revenue From Operations	20	833,024,596	1,540,861,926
Other Income	21	1,951,021	6,419,319
Total Income (I)		834,975,617	1,547,281,245
EXPENSES			
Cost Of Materials Consumed	22	593,380,127	682,961,133
Purchase Of Stock-In-Trade		208,637,484	555,754,896
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	23	(113,902,459)	(74,862,954)
Employee Benefits Expenses	24	36,109,154	34,844,042
Finance Costs	25	121,645,753	137,338,796
Depreciation And Amortization Expenses	26	33,067,973	48,412,915
Other Expenses	27	96,888,655	156,087,681
Total Expenses (II)		975,826,687	1,540,536,509
Profit / (Loss) before exceptional items and tax (I) - (II)		(140,851,070)	6,744,736
Exceptional items	28	(34,030,716)	-
Profit Before Tax		(174,881,786)	6,744,736
TAX EXPENSES/ BENEFITS:			
(1) Current Tax		-	4,609,000
(2) Deferred Tax		-	2,554,482
(3) Short / (Excess) Provision Of Earlier Years		(7,416,195)	(1,443,884)
Total Tax Expenses		(7,416,195)	5,719,598
Profit For The Year		(167,465,591)	1,025,138
Earnings Per Share: (Face Value of ₹ 1/- each)			
(1) Basic		(0.78)	0.01
(2) Diluted		(0.78)	0.01

1 to 43

Significant Accounting Policies

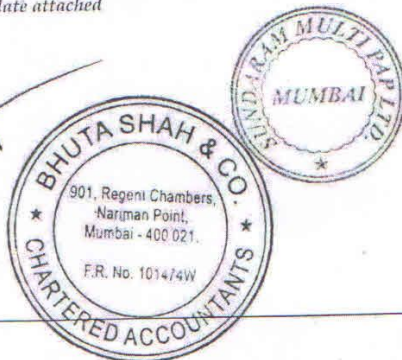
The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For Bhuta Shah & Co.
Chartered Accountants
Firm Reg. No.: 101474W

CA. Suresh Bhuta
Partner

Membership No.: 033958

Mumbai, 21st May, 2015



For and on behalf of the Board of Directors

Amrut P. Shah
Chairman & Managing Director

Rajesh B. Jain
Chief Financial Officer

Shantilal P. Shah
Whole-time Director

Manik R. Makwana
Company Secretary

SUNDARAM MULTI PAP LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars		Year Ended 31ST MARCH, 2015	Year Ended 31ST MARCH, 2014
		Amount in ₹	Amount in ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit/ (Loss) Before Tax And Extraordinary Items	(174,881,786)	6,744,736
	Adjustment For:		
	Depreciation	33,067,973	48,412,915
	Interest Income	(36,198,505)	(29,808,487)
	Dividend Income	(7,500)	(7,500)
	Preliminary Expenses W/Off	-	-
	Interest Paid	157,844,258	167,147,283
	(Profit)/ Loss On Sale Of Assets (Net)	(83,456,086)	1,675,042
		71,250,141	187,419,253
	Operating Profit Before Working Capital Changes	(103,631,645)	194,163,989
	Adjustment For:		
	Trade Receivables	272,081,451	318,044,523
	Inventories	(32,920,252)	(63,766,774)
	Loans & Advances	127,169,206	15,795,881
	Other Current Assets	(7,500)	153,183
	Trade Payables	(46,124,969)	(173,395,347)
	Other Liabilities & Provisions	77,300,670	4,308,682
		397,498,606	101,140,148
	Cash Generated From Operations	293,866,961	295,304,137
	Direct Taxes Paid(Net)	1,080,532	(10,017,561)
	Net Cash Flow Operating Activities	294,947,493	285,286,576
B.	Cash Flow From Investing Activities		
	Purchase Of Tangible Fixed Assets (Net)	(5,792,038)	(24,851,887)
	Sale Of Tangible Fixed Assets	117,309,923	2,668,442
	Purchase Of Equity Shares Of subsidiary	-	-
	Dividend Received	7,500	7,500
	Net Cash Generated From/ (Utilised in) Investing Activities	111,525,385	(22,175,945)
C.	Cash Flow From Financing Activities :		
	Loan given to Subsidiary	(37,253,394)	(62,394,909)
	(Repayment) of / Proceeds From Borrowings	(245,095,626)	(34,075,920)
	Interest Received	36,198,505	29,808,487
	Interest Paid	(157,844,258)	(167,147,283)
	Dividend Paid (Incl. Of Tax)	(2,522,479)	(38,023,928)
	Net Cash Generated From/ (Utilised in) Financing Activities	(406,517,251)	(271,833,553)
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(44,373)	(8,722,922)
	Cash And Cash Equivalents At Beginning Of The Year	6,109,612	14,832,534
	Cash And Cash Equivalents At End Of The Year	6,065,239	6,109,612
	Net Increase/ (Decrease)	(44,373)	(8,722,922)

Note:

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

As per our report of even date attached

For Bhuta Shah & Co.
Chartered Accountants
Firm Reg. No.: 101474W
901, Regent Chambers,
Nariman Point,
Mumbai - 400 021.
F.R. No. 101474W
CA. Rajesh B. Jain
Partner
Membership No.: 033958

For and on behalf of the Board of Directors

Amrut P. Shah
Chairman & Managing Director

Shantilal P. Shah
Whole-time Director

Rajesh B. Jain
Chief Financial Officer

Manik R. Makwana
Company Secretary

Mumbai, 21st May, 2015

SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 - 15

Note 1.

We designs, manufactures and markets paper stationery products - exercise note books, long books, note pads, scrap books, drawing books, graph books - for students of all ages, as well as office/ corporate stationery products and printirig, writing & packaging paper.

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

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

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

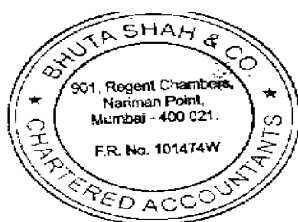
With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

Note .2

SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

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



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 -15

ii. Use of Estimates:

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

iii. Valuation of Inventories:

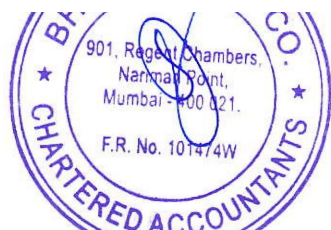
Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

iv. Cash Flow Statement:

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

v. Depreciation/ Amortization:

Depreciation on tangible fixed assets is provided on the straight line method as per useful life prescribed in Schedule II of the Act Depreciation on addition/ deletion of assets during the year.



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 -15

is provided on pro-rata basis. Brand will be amortized over a period of five subsequent years on a systematic basis as decided by the management at the rate of 20% in each year.

vi. Revenue Recognition:

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

- a) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- b) Interest income is recognized on the time proportion basis taking into account amount outstanding and interest rate applicable.
- c) The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when

vii. Export Incentives:

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

viii. Foreign Currency Transactions:

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

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

ix. Investments:



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 - 15

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

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

x. Employee Benefits:

a) Short Term Employee Benefits:

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

b) Post-Employment Benefits:

i) Defined contribution plans:

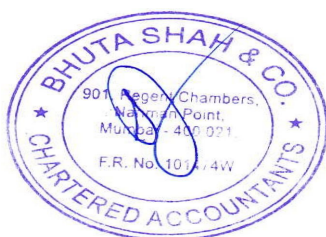
A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the separate entity. The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an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

ii) Defined benefit plan:

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

c) Leave encashment:

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



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 - 15

xi. Borrowing Cost:

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

Leases:

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

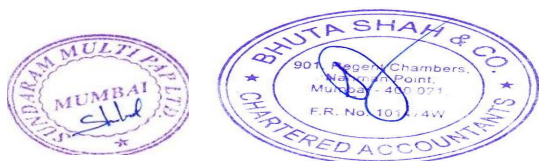
xii. Earnings per share:

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

xiii. Taxes' on Income:

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

Deferred tax is recognized on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for the timing differences. Deferred tax assets are recognized for timing difference of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2014 - 15

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

xv. Impairment of Fixed Assets:

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

xvi. Contingent Liability:

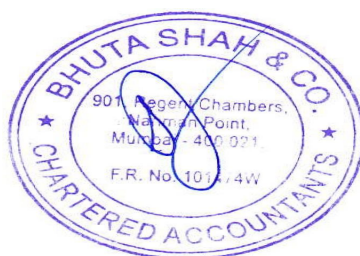
The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

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

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

xvii. Financial Derivatives Hedging Transaction:

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



SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3: SHARE CAPITAL

	As at 31st March, 2015	As at 31st March, 2014
Authorized Capital		
250,000,000 (P.Y. 250,000,000) Equity Shares of Re 1/- Each	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed & Paid-up Capital		
215,605,773 (P.Y. 215,605,773) Equity Shares of Re 1/- Each Fully Paid	215,605,773	215,605,773
Total of Issued, Subscribed And Fully Paid Up Share Capital	215,605,773	215,605,773

a) Reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2015 and 31 March 2014 is set out below:

Particulars	2014-15		2013-14	
	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares Outstanding At The Beginning Of The Year	215,605,773	215,605,773	215,605,773	215,605,773
Shares Issued During The Year	-			
Shares Bought Back During The Year			-	
Shares Outstanding At The End Of The Year	215,605,773	215,605,773	215,605,773	215,605,773

b) Rights, preferences and restrictions attached To Equity Shareholders:

The Company has only one class of Equity Shares having a face value Of Re.1 /- Per Share. Each holder of Equity Shares is entitled to one vote per Equity Share. A member shall not have any Right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank *Pari Passu* in all respects including the right to dividend. The dividend is proposed by the board Of directors and is subject to the approval of the members at the ensuing annual general meeting. The board of directors have a right to deduct from the dividend payable to any member any sum due from him to the Company.

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

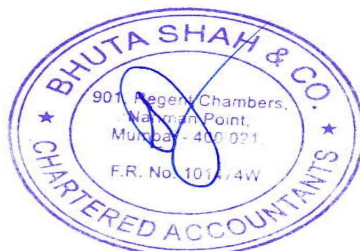
The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the memorandum of association and articles of association of the Company, as applicable.

c) The Company does not have any holding company or ultimate holding company. Promoter shareholding in the company including persons acting in concert with the promoters as on march 31, 2015 is 76,229,348 equity shares i.e. 35.36% of the equity share capital of the Company. Previous year march 31, 2014 is 117,718,959 equity shares i.e. 54.60 %.

d) The Details of Share Holders Holding more than 5% Shares:

Name Of Shareholder	As at 31 March, 2015		As at 31 March, 2014	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Amrut P Shah	23,288,887	10.80	35,929,325	16.66
Raichand P Shah	26,898,304	12.48	34,808,304	16.14
Shantilal P Shah	14,787,157	6.86	20,451,537	9.49
Citigroup Global Markets Mauritius	11,825,702	5.48	11,994,157	5.56
Ganjam Trading Pvt Ltd	14,999,499	6.96	14,999,499	6.96

e) The Company has allotted 143,737,182 (FV -Re 1/-) equity shares by way of Bonus issue in the Financial Year 2012-13 in the ratio 1:2.



NOTE 4: RESERVES & SURPLUS

	As at 31st March, 2015	As at 31st March, 2014
(a) Capital Reserve		
Opening Balance	700,000	700,000
Add: Additions during the year	-	-
Capital Reserve - Closing Balance	700,000	700,000
(b) Securities Premium Reserve		
Opening Balance	466,413,981	466,413,981
Add: Additions during the year	-	-
Securities Premium Reserve - Closing Balance	466,413,981	466,413,981
(c) Revaluation Reserve		
Opening Balance	443,754,167	-
Add/ (Less): Revaluation of Land *	(38,806,813)	443,754,167
Revaluation Reserve - Closing Balance	404,947,354	443,754,167
(d) General Reserve		
Opening Balance	16,972,914	16,972,914
Add: Transfer From Statement Of Profit And Loss	-	-
General Reserve - Closing Balance	16,972,914	16,972,914
(e) Surplus In The Statement Of Profit And Loss		
Opening Balance	438,032,001	439,529,342
Less: Depreciation Adjusted Against Free Reserves	(246,760,614)	-
Add: Net Profit/ (Loss) For The Year	(167,465,591)	1,025,138
Balance Available For Appropriation	23,805,796	440,554,480
Less: Appropriations	-	2,156,057
Proposed Dividend	-	366,422
Dividend Distribution Tax	-	-
Net Surplus In The Statement Of Profit And Loss	23,805,796	438,032,001
Total Of Reserves And Surplus	912,840,045	1,365,873,063

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

NOTE 5: LONG TERM BORROWINGS

	As at 31st March, 2015	As at 31st March, 2014
Term Loan		
Secured		
From Banks		
State Bank Of India *	389,106,588	180,000,000
Industrial Development Bank of India *	39,000,000	-
Yes Bank **	20,000,000	-
Vehicle Loans ***	173,440	909,516
From Others		
Vehicle Loans \$	3,826,067	-
Deferred Payment Liabilities		
Unsecured		
Sales Tax Deferred Loan @	13,554,850	13,679,510
Loan From Sicom+ -	2,064,441	2,064,441
Deposits		
Unsecured		
Deposits	745,000	798,200
Total Of Long Term Borrowings	468,470,386	197,451,667

+ In case of delay/default as on the Balance Sheet date in repayment of loans and interest with respect to above :

- (1) Period of Default : Earlier Years
- (2) Amount : Rs 2,064,441



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

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

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

Secured primarily by first pari passu charge over the entire current assets (present and future) of the company as well as personal guarantee of three directors and collaterally secured by second pari - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the Company, with IDBI bank. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loans carries floating rate of interest ranging between 2.75% to 3% above base rate. The repayment of WCTL shall commence from September 2015 and to be fully repaid by September 2016. The repayment of FITL shall commence from December 2015 and to be fully repaid by March 2020.

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

*** Secured by Hypothecation of respective vehicles purchased carrying interest ranging from 10.75% To 13.25% and repayable by May-2016.

\$ Secured by Hypothecation of respective vehicles purchased carrying interest ranging from 12% and repayable by March-2021.

@ Repayment shall commence from the financial year 2015-16 up to 2024-25.

5.1 Out the above loans, three Directors of the Company have given their personal guarantee for secured loans (except vehicle loan) aggregating to Rs 448,106,588/-

NOTE 6: DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2015	As at 31st March, 2014
Liabilities		
Depreciation	45,739,409	37,006,966
	45,739,409	37,006,966
(A) Assets		
	1,100,306	873,192
Employee Benefits / Expenses Allowable on Payment Basis	8,505,329	-
	9,605,635	873,192
Unabsorbed Depreciation *	36,133,774	33,579,292
(B)		
Net Deferred Tax Liability Charged To Statement Of Profit And Loss (D) = A-B-C	(0)	2,554,482
Net Deferred Tax Liability (E)=C+D	36,133,774	36,133,774

* The Company has recognised deferred tax asset of 8,505,329/- (as at March 31, 2014, NH) on unabsorbed depreciation to the extent there is deferred tax liability on timing differences that will reverse in the future.

NOTE 7: LONG TERM PROVISIONS

	As at 31st March, 2015	As at 31st March, 2014
Provision For Employees Benefit		
Provision For Gratuity	3,391,297	2,691,297
Total of Long Term Provisions	3,391,297	2,691,297



NOTE: 8 SHORT TERM BORROWINGS

	As at 31 st March 2015	As at 31 st March 2015
<u>Loan Repayable on Demand</u>		
<u>From Banks</u>		
<u>Secured</u>		
Cash credit from State Bank of India**	126,380,657	513,333,132
Cash Credit from Industrial Development of India	25,355,622	101,365,758
From Public Financial Institutions	-	22,688,699
<u>Unsecured</u>		
Loan from Directors###	59,554,200	6,560,460
<u>Deposit</u>		
<u>Unsecured</u>		
Inter corporate Deposits##	152,370,696	195,787,435
Total of Short Term Borrowings	363,661,175	879,775,519

**Secured primarily by first pari-passu charge over stock and book debts of the Company with other Working capital lender and personal guarantee of three directors and collaterally secured by pari-passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoters shares to the extent of 100% of E-Class Education System Limited has also given. The said loan carries interest rate ranging between 2.75% to 3% above base rate.

It consist of loan from three Directors and are interest free. Further, all the loans are provided by the director from their own funds.

All inter corporate deposits are taken against pledge of Promoters Equity Shares held in the Company.

NOTE 9: TRADE PAYABLES

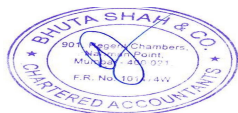
	As at 31st March, 2015	As at 31st March, 2014
Micro, Small And Medium Enterprises (Refer Note 33)		
Others	94,370,945	140,495,914
Total Of Trade Payables	94,370,945	140,495,914

NOTE 10: OTHER CURRENT LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Current Maturities Of Long-Term Borrowings (Refer Note 5)		
From Banks	192,893,879	82,014,168
From other Financial Institutions	-	2,361,310
Vehicle Loans	1,219,942	1,434,034
Sales Tax Deferred Loan	124,660	
Advance From Customers	11,900,791	24,722,358
Interest Accrued But Not Due On Borrowings		2,056,519
Unpaid Dividend	501,713	13,521,559
Other Payables		
Outstanding Expenses	11,490,088	11,927,544
Outstanding Statutory Liabilities	4,111,353	7,604,264
Total Of Other Current Liabilities	222,242,426	145,641,756

NOTE 11 : SHORT TERM PROVISIONS

	Rs As at 31st March, 2015	Rs As at 31st March, 2014
Others		
Proposed Dividend		2,156,057
Provision For Dividend Distribution Tax		366,422
Provision For Income Tax	4,004,198	
Total Of Short Term Provisions	4,004,198	2,522,479

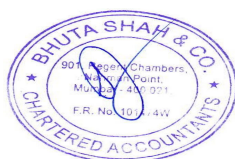


NOTE 13: NON CURRENT INVESTMENTS

	As at 31st March, 2015	As at 31st March, 2014
Trade Investments Others (valued at Cost)		
Investment In Unquoted Equity Instruments		
i Subsidiary		
15,000,000 Equity Shares Of Rs10/- Each Fully Paid Up Of E-Class Education System Ltd. (Previous Year 15,000,000 Shares)	150,000,000	150,000,000
ii. Others	50,000	50,000
5,000 Equity Shares of 710/- Each Fully Paid Up of Abhyudaya Co-operative Bank Ltd. (Previous Year 5,000 Shares)		
Total Of Non-Current Investment	150,050,000	150,050,000
Aggregate amount of quoted investments	150,050,000	-
Aggregate amount of unquoted investments		150,050,000
Total Of Non-Current Investment	150,050,000	150,050,000

NOTE 14 : LONG TERM LOANS AND ADVANCES

	As at 31, March 2015	As at 31, March 2014
Advance For Capital Assets		
Unsecured Considered Goods	-	9,284,729
Security Deposits		
Unsecured , Considered Goods	4,107,629	4,304,334
Total of Long Term Loans and Advances	4,107,629	13,589,063



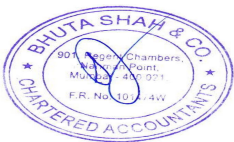
SUNARAM MULTI PAP LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12 & 12A: FIXED ASSETS AS ON 31st March 2015

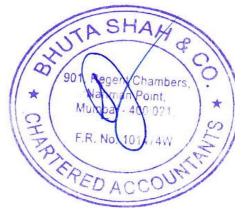
(Amount in Rs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
	As on 1st April, 2014	Additions During the Year	Deductions During the Year	As on 31st March, 2015	As on 1st April, 2014	For the Year	Adjustment as per the Companies Act, 2013. (Refer note 10.1)	Deductions During the Year	As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2014
A. Tangible Assets: (Owned)											
Freehold Land	630,479,748	-	45,336,700	585,143,048	-	-		-	-	585,143,048	630,479,748
Building	235,966,060		17,552,233	218,413,827	45,738,389	4,900,403	46,487,881	4,672,436	92,454,237	125,959,590	190,227,672
Plant & Machinery	552,413,206	226,354	288,882,984	263,756,576	146,890,165	14,637,418	185,477,200	274,438,835	72,565,948	191,190,628	405,523,041
Furniture & Fixture	73,687,287	2,432		73,689,719	28,221,595	5,264,051	16,352,166	-	49,837,812	23,851,907	45,465,692
Vehicles	27,274,475	5,250,000	-	32,524,475	14,743,773	3,636,221	(1,082,813)	-	17,297,181	15,227,293	12,530,702
Office Equipment's	6,107,999	313,252	-	6,421,251	5,228,721	618,688	(473,820)	-	5,373,589	1,047,662	879,278
Total Tangible Assets	1,525,928,775	5,792,038	351,771,917	1,179,948,896	240,822,643	29,056,781	246,760,614	279,111,271	237,528,767	942,420,128	1,285,106,130
B. Intangible Assets:											
Brand	72,930,746	-		72,930,746	48,863,600	4,011,192	-	-	52,874,792	20,055,954	24,067,146
Total Intangible Assets	72,930,746	-	-	72,930,746	48,863,600	4,011,192	-	-	52,874,792	20,055,954	24,067,146
TOTAL (A+B)	1,598,859,521	5,792,038	351,771,917	1,252,879,642	289,686,243	33,067,973	246,760,614	279,111,271	290,403,559	962,476,082	1,309,173,276
Previous Year	1,107,596,423	498,215,348	6,952,250	1,598,859,521	243,882,092	48,412,918		2,608,768	289,686,242	1,309,173,280	



10.1 Adoption of useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013

Effective from 1 April, 2014 the Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act 2013 as per para 7(b) of notes to part C. Based on transitional provision provided in note 7(b) to Schedule II, where the remaining useful life of an asset is nil the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1 April, 2014 for the Company was Rs 246,760,6141/-



NOTE 16: TRADE RECEIVABLES

	As at 31st March, 2015	As at 31st March, 2014
Debts Overdue Beyond 6 Months		
Unsecured, Considered Good	166,795,288	360,456,232
Others		
Unsecured, Considered Good	50,649,006	129,069,513
Total Of Trade Receivables	217,444,294	489,525,745

NOTE 17: CASH AND CASH EQUIVALENTS

	As at 31st March, 2015	As at 31st March, 2014
Cash-In-Hand		
Cash Balance	2,103,486	3,425,008
Sub Total (A)	2,103,486	3,425,008
Bank Balance		
In Current Accounts	3,290,382	1,974,513
In Deposit Accounts	118,771	153,611
In Dividend Account	552,600	556,480
Sub Total (B)	3,961,753	2,684,604
• Total Of Cash And Cash Equivalent (A) + (B)	<u>6,065,239</u>	6,109,612

Includes Deposit with Banks of Rs. 118,771/ (Previous Year: Rs.153,611/) with original maturity of more than 12 months

NOTE 18: SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2015	As at 31st March, 2014
Loans & Advances To Related Parties		
Unsecured, Considered Good		
Loan To Subsidiary . E Class Education System Ltd. (Refer note.18.1)	223,231,138	185,977,745
Others		
Unsecured, Considered Good		
Advance To Suppliers	28,063,397	87,333,454
Advance Income Tax (Net Off Provision For Tax)	12,955,052	2,615,191
Balance With Revenue Authorities	3,356,033	4,185,217
Prepaid Expenses	567,847	4,228,482
Advance To Employees	364,590	710,840
Other Advances	71,456,720	125,038,367
Total Of Short Term Loans And Advances	339,994,777	410,089,296

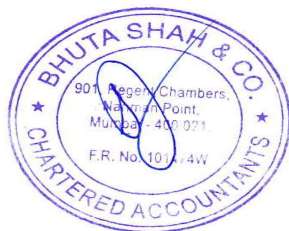


NOTE 18.1: DISCLOSURE REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

	As at 31st March, 2015		As at 31st March, 2014	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Loans & Advances To Related Parties include loans to subsidiaries				
Loan To Subsidiary - E-Class Education System Ltd.	223,231,138	223,231,138	185,977,745	185,977,745

NOTE 19: OTHER CURRENT ASSETS

	As at March, 2015	As at March, 2014
Dividend Receivable	15000	7500
Interest Receivable	139,503	139,503
Total of Current Assets	154,503	147,003



SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL

STATEMENTS NOTE 20: REVENUE FROM OPERATIONS

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Sale of Products		
Local Sales	852,366,118	1,114,332,270
Trading Sales	5,317,124	426,881,248
Export Sales		29,799,658
	857,683,242	1,571,013,176
Other Operating Revenues		
Advertisement Income	900,000	2,000,000
	858,583,242	2,000,000
Less: Excise Duty	25,558,646	32,151,250
Total Of Revenue From Operations	833,024,596	1,540,861,926

NOTE 21: OTHER INCOME

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Dividend Income	7,500	7,500
Rent Received	-	864,000
Exchange Fluctuation On Exports	1,943,521	4,527,179
Royalty Income	-	1,000,000
Miscellaneous Income	-	20,640
Total Of Other Income	1,951,021	6,419,319

NOTE 22: COST OF MATERIAL CONSUMED

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Raw Material Consumed		
Opening Stock	166,882,137	179,565,055
Add: Purchases	671,546,086	664,443,337
Raw Material Sales	(160,661,213)	(14,973,393)
Transport Inwards	21,957,356	20,808,271
	699,724,366	849,843,270
Less: Closing Stock	106,344,239	166,882,137
Total Of Cost Of Material Consumed	593,380,127	682,961,133

NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STO

	Year. Ended 31st March, 2015	Year Ended 31st March, 2014
Inventory (at Commencement)		
Finished Goods	18,610,835	79,278,958
Work In Progress	170,975,002	178,950,871
Stock in Trade	207,093,750	63,586,805
Less: Inventory (at Close)		
Finished Goods	48,350,188	18,610,835
Work In Progress	105,135,306	170,975,002
Stock-in-Trade	357,096,552	207,093,750
Total Of Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-in-Trade	(113,902,459)	(74,862,954)



NOTE 24: EMPLOYMENT BENEFITS EXPENSES

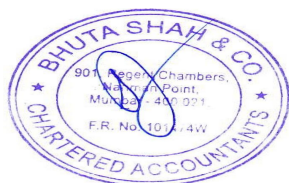
	Year Ended at 31 st March, 2015	Year Ended at 31 st March, 2014
Salaries & Wages	28,778,867	27,044,100
Contribution to Provident Fund, Gratuity and Other Funds	1,686,303	1,208,349
Directors Remuneration	5,250,000	6,000,000
Staff Welfare	393,984	591,593
Total of Employment Benefits Expenses	36,109,154	34,844,042

NOTE 25 : FINANCE COSTS

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Interest Expenses	149,112,550	165,477,994
Other Borrowing Costs	8,731,708	1,723,292
Less: Interest Capitalized	-	54,002
	157,844,258	167,147,283
Less :-Interest Income	36,198,505	29,808,487
Total Of Financial Costs	121,645,753	137,338,796

NOTE 26: DEPRECIATION & AMORTIZATION EXPENSES (Refer note.12)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Depreciation	29,056,781	40,390,533
Amortisation Of Intangibles	4,011,192	8,022,382
Total Of Depreciation & Amortization Expenses	33,067,973	48,412,915



NOTE 27: OTHER EXPENSES

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Note 27 A: Manufacturing Expenses		
Power And Fuel	2,749,627	7,507,421
Job Work Expenses	12,833,794	12,713,717
Repair & Maintenance To Building	684,180	1,881,053
Repair & Maintenance To Machinery	2,781,657	2,366,943
Security Expenses	289,267	598,573
Service Tax	1,161,878	686,573
Stores & Packing Material Consumed	48,611,663	83,990,924
Other Manufacturing Exp	35,150	193,688
Sub Total Note 27 A	69,147,216	109,938,892
Note 27 B: Selling & Distribution Expenses		
Sales Promotion & Advertisement Expenses	321,479	2,772,313
' Freight, Clearing & Forwarding Charges	2,785,120	5,935,577
Loading & Unloading Charges	2,336,235	1,443,978
Commission Charges	-	3,258,147
Tempo Expenses	2,698,921	3,078,416
Sub Total Note 27 B	8,141,755	16,488,431
Note 27 C: Administrative Expenses		
Rent Expenses	803,897	1,753,651
Insurance Expenses	3,398,795	8,965,366
Rates & Taxes Expenses	354,876	435,320
Wealth Tax	70,020	66,760
Motor Car Expenses	953,191	1,484,745
Travelling Expenses	780,487	1,927,178
Computer Maintenance	30,596	28,993
Conveyance Expenses	26,337	76,208
Postage & Courier	305,601	202,014
Legal, Professional & Consultancy Charges	2,615,533	4,391,500
Printing & Stationery	533,952	545,752
Auditors Remuneration (Refer Note - 32)	375,000	2,096,068
Donation	-	837,743
Electricity Expenses	724,560	1,031,328
Listing & Registration Fees	486,714	367,942
Loss On Sale Of Fixed Assets (Net)	-	1,675,042
Subscription Charges	39,180	33,804
Sundry Balance W/Off	7,160,768	2,672,267
Telephone Expenses	564,946	828,698
Sundry Expenses	375,211	239,979
Sub Total Note 27 C	19,599,684	29,660,358
Total of Other Expenses (Note 27 A+ 27 B+ 27 C)	96,888,655	156,087,681

NOTE 28: EXCEPTIONAL ITEMS

	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Profit on Sale of Fixed Asset	83,456,086	-
Loss on Sale of Non-Moving Items	(116,379,845)	-
Reversal of Accrued Interest Receivable	(30,562,920)	-
Pre-Maturity of Keyman Insurance Policy	29,455,965	-
Total of Exceptional Items	(34,030,716)	-



Sundaram Multi Pap Limited

Notes forming part of Financial Statements

Note 29

Contingent Liability: In the opinion of the Board of directors, the Company has no contingent liability (PY: Nil)

Note 30

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 31

Balances of certain trade receivables, trade payables and loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material variation affecting the current year's financial statements on account of such reconciliation / adjustments.

Note 32

Auditors Remuneration:

(Amount in Rs)

Particulars	Current Year	Previous Year
Audit fees	300,000	650,000
Tax Audit fees	75,000	180,000
Income Tax Matters	-	1,250,000
Others		16,068
Total	375,000	2,096,068



Note 33**Disclosure under MSMED Act, 2006:**

The Company has not received any information from the “suppliers” regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

Note 34**Segment Reporting: Primary**

Segment (Business):

The Company operates in single business segment of manufacture and sale of exercise note books and paper. Hence, further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.

Note 35**Related Party Disclosures:**

- a) List of related parties with whom the Company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Wholly owned Subsidiary	E Class Education System Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman' & Managing Director
	Mr. Shantilal P. Shah	Whole-time Director
	Mr. Hasmukh A. Gada	Whole-time Director
	Mr. Manik R. Makwana (Appointed w.e.f from 01/01/2015)	Company Secretary
Enterprise over which KMP are able to exercise significant influence	Sundaram Bio-Tech Pvt Ltd	Company
Relatives of KMP	Mr. Raichand P. Shah	Brother of Amrut P. Shah & Shantilal P. Shah



b) Transactions with Related Parties:

Amount in Rs

Particulars	Wholly Owned Subsidiary	KMP	Relatives of KMP
Loan Given to E Class Education System Ltd	223231,138 (139,719,074)	- (-)	(-)
Repayment of Loan Given to E Class Education System Ltd	- (77,324,165)	- (-)	(-)
Interest charged on Loan Given to E Class Education System Ltd	36,198,505 (23,009,388)	- (-)	- (-)



Remuneration	(-)	5,250,000 (6,000,000)	1,200,000 (400,000)
Details are as under:			
Mr. Amrut P. Shah	(-)	2,000,000 (2,000,000)	(-)
Mr. Shantilal P. Shah	(-)	1,000,000 (1,000,000)	(-)
Mr. Hasmukh A. Gada	(-)	2,250,000 (3,000,000)	(-)
Mr. Raichand P. Shah	(-)		1,200,000 (400,000)
Rent Paid to Mrs. Nayna S.Shah	(-)	(-)	189,000 (189,000)
Interest Paid to Mr. Hasmukh A. Gada	(-)	1,413,384 (201,370)	(-)

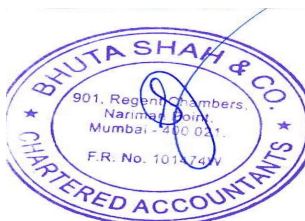
Figures in bracket reflects previous year's amount

c) Outstanding Balances of Related Parties:

Amount in Rs

Particulars	Wholly Owned Subsidiary	KMP	Enterprise over which KMP are able to exercise significant influence	Relatives of KMP
Short term Loans and Advances /Recoverable	223,231,138 (185,977,745)	- (-)	3000 (3000)	- (-)
Short term Borrowings /Payable	(-) (-)	(59,554,200) (40,040,035)	- (-)	46,902 (1,560,277)
Investments	150,000,000 (150,000,000)	- (-)	- (-)	- (-)

Figures in bracket reflects previous year's amount



Note 36**Computation of Basic and Diluted Earnings Per Share (EPS):**

Particulars	Current Year	Previous Year
Net Profit/ (Loss) After Tax available to equity shareholders (in Rs)	(167,465,591)	1,025,137
Weighted average number of equity shares for Basic and Diluted EPS	215,605,773	215,605,773
Basic and diluted earnings per share (Face Value Re 1) (in Rs)	(0.78)	0.01

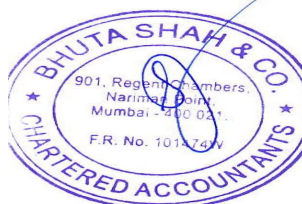
Note 37**a) Details of Sales value of Products:**

Class of Goods	Sale Value Rs	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Class of goods		
Exercise Books	823,057,053	1,053,538,884
Paper	3,750,418	58,441,794
Trading	5,317,124	426,881,248
Total	832,124,595	1,538,861,926

The above figures are net of excise duty of Rs 25,558,646 (P.Y. Rs 32,151,250)

b) Details of opening & closing stock of Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	For the year ended 31.03.2015	For the year ended 31.03.2014	For the year ended 31.03.2015	For the year ended 31.03.2014
Exercise Books	17,798,242	77,077,560	48,350,188	17,798,242
Paper	812,593	2,201,398	-	812,593
Trading of Copier Paper & Others	207,093,750	63,586,805	357,096,552	207,093,750
Total	225,704,585	142,865,763	405,446,740	225,704,585



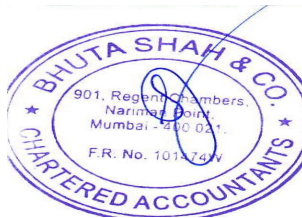
c) Details of Opening & Closing Stock of Semi-Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	For the year ended 31.03.2015	For the year ended 31.03.2014	For the year ended 31.03.2015	For the year ended 31.03.2014
Exercise Books	151,836,018	163,150,611	86,628,450	151,836,018
Paper	19,138,984	15,800,260	18,506,856	19,138,984
Total	170,975,002	178,950,871	105,135,306	170,975,002

Note 38

Value of Raw Material Consumed:

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Amount in Rs	%	Amount in Rs	%
Raw Materials	-	-	-	-
Paper & Bonds	-	-	-	-
(i) Imported	-	-	4,990,828	0.77%
(ii) Indigenous	593,380,127	100.00%	677,970,305	99.23%
Total	593,380,127	100.00%	682,961,133	100.00%



Raw Material Purchase (Breakup)	2014-15 (Amt in Rs)
Paper	572,174,943
Duplex Board	84,587,519
Others	14,783,624
Total	671,546,086

Note 39

Earnings & Expenditure in Foreign Currency:

Amount in Rs

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
F.O.B. Value of Exports	-	29,438,630
C.I.F Value of Imports:		
Raw Materials	-	4,990,828
Expenditure:		
Traveling Expenses	31,375	470,900

Note 40:

Employee benefits

1. Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to Z 12.66 Lacs (2014: Z 9.72 Lacs) have been charged to the Statement of Profit and Loss. The contributions payable to this plan by the Company is at rates specified in the rules of the scheme.

2: Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

During the year gratuity benefit expense of Rs 7 Lacs recognized in the Statement of Profit & Loss. Due to non-Availability of Actuarial Valuation Report, the charge for the year and liability as on balance sheet date were derived based on the past trend of attrition, increase in compensation cost and other relevant factors.



Note 41

Disclosure in respect of lease:

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for a period of 1st Nov-2014 to 31st Oct 2017 years and may be renewed for a further period of 2 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 8 to 10 % every year.

	Amount in ₹	
Future minimum lease payments	2015	2014
Not later than one year	1,020,000	Nil
Later than one year and not later than five years	3,467,880	Nil
Later than five years	-	Nil
Lease payments of ₹ 425,000 Nil (2014: Nil) recognised in the Statement of Profit and Loss.		

Note 42

On 14th November 2014, the Board of Directors announced a plan to permanently close down Nagpur Paper Unit subject to the completion of necessary formalities. This is not a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Company's long-term strategy to focus its activities at Palghar unit. The Company is actively seeking a buyer for the plant & machineries and other fixed assets at Nagpur unit and hopes to complete the sale by the end of March 2016. At 31 March 2015, the carrying amount of the assets of the Nagpur unit was ₹ 3279.31 lakhs (previous year ₹ 6000.42 lakhs) and its liabilities were ₹ Nil lakhs (previous year ₹ Nil lakhs). In the opinion of the Board of Directors, the assets have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

Note 43

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For Bhuta Shah & Co.
Chartered Accountants
Firm Regn. No. 101474W

CA. Sailesh Bhuta
Partner
Membership No. 033958

Mumbai, 21st May, 2015



For and on behalf of the Board and Directors

Amrut P. Shah
Chairman & Managing Director

Rajesh B. Jain
Chief Financial Officer

Shantilal P. Shah
Whole-time Director

Manik R. Makwana
Company Secretary

Independent Auditors' Report

To the Members of
SUNDARAM MULTI PAP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SUNADARAM MULTI PAP LIMITED (the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information..

Management's Responsibility on Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

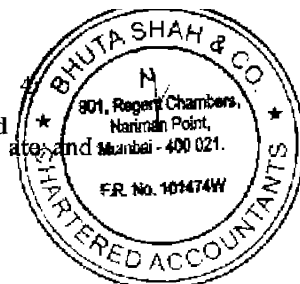
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 201

(b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that d



Emphasis of matter

Without qualifying our opinion, we draw attention to Note 28 to the financial statements. As explained therein, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/adjustments. Accordingly, no provision has been made in the financial statements, Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

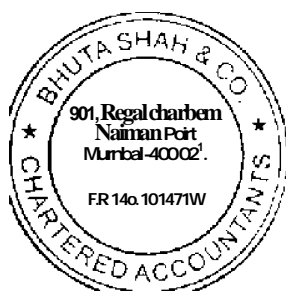
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Ad, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report **that:**
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for **the** purpose of our **audit**.
 - b. In our opinion proper books of account as **required by law have been** kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of **Directors**, **none of** the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of section 274(1)(g) **of** the Act.
 - f. Since the Central Government has not issued any notification as to **the rate at which the** cess is to be paid under **section 441A** of the Act **nor has** it issued any Rules under the said **section**, **prescribing the manner in which such cess is to be paid, no cess is due and payable** by the Company.

For Bhuta Shah & Co.
Chartered Accountants
Firm Reg. No.: 101474W

CA. Mitesh Kothari
Partner

Membership No.: 110822

Mumbai, 24th May, 2014



Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

(I) In respect of fixed Assets:

- (a) The company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

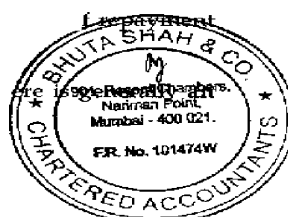
In respect of its inventories:

- (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. The discrepancies noticed on physical verification of stocks by the management and book records have been properly dealt with in the books of account.

In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Act:

- (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured Loan to its subsidiary company. The maximum amount involved during the year is Z 18,59,77,745/-. And the year-end balance of loan granted to such party is t 18,59,77,745/.
- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans have been given to the company are not, prima facie, prejudicial to the interest of the Company.
- (c) There is no stipulation for repayment of the above loans. Therefore, the question of repayment being regular does not arise. Also, the question of overdue amount does not arise.
- (d) There is no stipulation for repayment of the above loans. Therefore, the question to take reasonable steps by the company for recovery of the principal and interest does not arise.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has taken loans from three **directors**. The maximum amount involved during the year are Rs.7,18,28,422/. And the year-end balance of loan taken from such parties is Rs 4,00,40,035/-.
- (f) The company has taken interest free loan from two directors. Therefore, the question of rate of interest and other terms and conditions on which loans have been taken by the company, being prejudicial to the interest of the Company does not arise. **The company** has taken interest bearing loan from one director. However, terms and conditions and rate of interest are not prejudicial to the interest of the company.
- (g) There is no stipulation for repayment of the above loans. Therefore, the question of being regular does not arise.

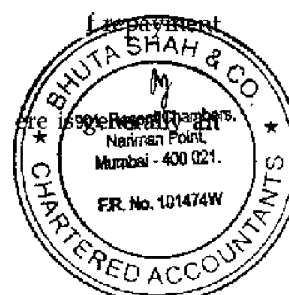
(iv) In our opinion and according to the information and explanations given to us, th



adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

In respect of the contracts or arrangements referred to in section 301 of the Act

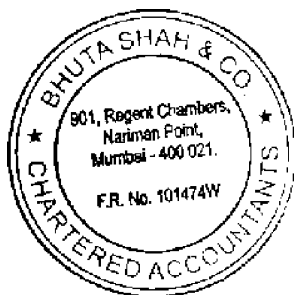
- (a) In our opinion and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and as per information and explanations given to us, the transaction entered into by the company with parties covered u/s 301 of the Act and exceeding the value of rupees five lakhs in respect of each party during the year has been made at prices which appear reasonable as per information available with the company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public as defined u/s. 58A of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of Clause 4 (vi) of the Order are not applicable to the company.
- (vii) As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and on the basis of information and explanations given to us, we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained related to manufacture of Exercise Note Book and Paper. We have not, however, made a detailed examination of the accounts and records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have been regularly deposited with the appropriate authorities, *though there have been delays in a few cases*. According to the information and explanations given to us, *except for Rs.7,120/- towards tar deducted at source and ₹ 33,730/- towards CST payable*, no undisputed amounts payable in respect of Wealth Tax, Cess, Profession Tax, Service Tax and other material statutory dues were in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except normal assessment and appellate proceedings as per the Income Tax Act, 1961.
- (x) The Company does not have any accumulated losses and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there were *several instances in which the company had defaulted in repayment of dues to banks but the same were regularized in due course of time*. *forever, Total default in repayment of dues to banks and financial institutions amounting to ₹12,82,80,199/- is not regularized as at 31.03.2014.*
- (xii) According to the information and explanations given to us and based on the documents produced before us, the Company has not granted loans and advances on the basis of pledge of shares, debentures and other securities.



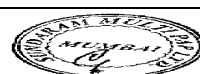
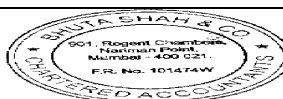
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society, Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.
- (xvi) According to the information and explanation given to us and the records examined, the term loans taken by the company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at :31 March 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company. No long term funds have been used to finance short term assets except working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable to the company.
- (xx) The Company has not raised any monies by way of public issues during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Bhuta Shah & Co.
Chartered Accountants
Firm Reg. No.: 101474W

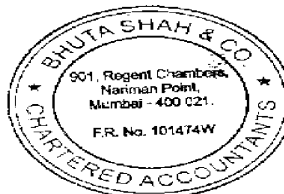
CA. Mitesh of Partner
Membership No.: 110822
Mumbai, 24th May, 2014



SUNDARAM MULTIPAP LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2014			
Particulars	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
		Rs	Rs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	215,605,773	215,605,773
Reserves And. Surplus	2	1,365,373,062	921,616,236
		1,581,478,835	1,139,222,009
Non-Current Liabilities			
Long-Term Borrowings	3	197,451,668	264,160,378
Deferred Tax Liabilities (Net)	4	36,133,774	33,579,292
Other Long Term Liabilities		-	-
Long Term Provisions	5	2,691,297	2,691,297
		236,276,739	300,430,967
Current Liabilities			
Short-Term. Borrowings	6	579,751	847,142,729
Trade Payables	7	140,495,914	313,891,261
Other Current Liabilities	8	145,641,756	154,298,222
Short-Term Provisions	9	25,22,479	29,296,035
		1,168,435,668	1,344,628,246
Total Equity & Liabilities		2,986,191,242	2,784,281,222
AS SETS			
Non-Current Assets			
Fixed. Assets			
Tangible Assets	10A	1,285,106,135	831,624,803
Intangible Assets	1013	24,067,146	32,039,52g
Capital Work-In-Progress		-	29,609,294
		1,309,173,281	893,323,625
Non-Current Investments	11	150,050,000	150,030,000
Deferred Tax Assets (Net)		-	-
Long Term Loans And Advances	12	13,589,063	49,827,480
Other Non-Current Assets		-	-
		1,472,812,344	1,093,201,105
Current Assets			
Current Investments		-	-
Inventories	13	607,507,242	543,740,469
Trade Receivables	14	4,89,525,743	807,370,265
Cash And Cash Equivalents	15	6,109,612	14,832,534
Short-Term Loans And Advances	16	410,089,296	324,636,660
Other Current Assets	17	147,003	300,186
		1,513,378,898	1,691,080,066
Total Assets		2,986,191,242	2,784,281,222
Significant Accounting Policies			
Notes on financial statements			
As per our report of even date attached			
For Bhuta Shah & Co.			
Chartered Accountants			
Firm RegNo.:101474W			
CA Mitesh Kothari			
Partner			
Membership No. 110822			
Mumbai, 24 th May, 2014			
Amrut P. Shah			
Chairman & Managing Director			
Shantilal P. Shah			
Whole-time Director			
Hasmukh A. Gada			
Whole-time Director			



SUNDARAM MULTI PAP LIMITED			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2014			
Particulars	Note No.	Year Ended 31 st March 2014	Year Ended 31 st March 2013
INCOME		Rs	Rs
Revenue From Operations	18	1,540,861,926	1,815,457,526
Other income	19	6,419,319	10,118,372
Total Income (I)		1,547,281,245	1,825,575,897
EXPENSES			
Cost Of Materials Consumed	20	682,961,133	683,537,294
Purchase Of Stock-In-Trade		412,247,951	664,357,064
Changes In Inventories Of Finished Goods And Work-In-Progress	21	68,643,992	35,200,435
Employee Benefit Expenses	22	34,844,042	48,164,462
Finance Cost	23	137,338,796	120,774,548
Depreciation And Amortization Expenses	24	48,412,915	48,177,708
Other Expenses	25	156,087,681	150,672,415
Total Expenses (II)		1,540,536,509	1,750,833,926
Profit Before Tax (1) - (ID)		6,744,736	474,703,72
TAX EXPENSES:			
(1) Current Tax		4,609,000	2,452,186
(2) Deferred Tax		2,534,482	5,664,877
(3) Short / (Excess) Provision Of Earlier Years		(7443,834)	91,327
Total Tax Expenses		5,719,598	29,228,890
Profit For The Year		1,025,137	45,513,082
Earnings Per Equity Share: (Face Value of Re 1/- each)			
(1) Basic		0.01	0.21
(2) Diluted		0.01	0.21
Significant Accounting Policies Notes on financial statements As per our report of even date attached 1 to 39			
For Bhuta Shah & Co. Chartered Accountants Firm Reg. No.: 1111474W		For and on behalf of the Board Amrut P. Shah Chairman & Managing Director Shantilal P. Shah Whole-time Director Hasmukh A. Gada Whole-time Director	
CA Mitesh Kothari Partner Membership No. : 110822 Mumbai, 24th May 2014			



SUNDARAM MULTIPAP LIMITED					
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014					
Particulars		Year Ended 31 st March 2014		Year Ended 31 st March 2013	
		Amount in Rs		Amount in Rs	
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit/ (Loss) Before Tax And Extraordinary Items			6,741,736		74,741,972
Adjustment rim:					
Depreciation		48,412,915		43,127,708	
interest Income		(29,808,487)		(49,929,403)	
Dividend income		(7,500)		(7,500)	
Preliminary Expenses W/Off		-		-	
Interest Paid		167,147,283		170,703,951	
(Profit)/ Loss On Sale Of Assets (Net)		1,675,042		(4,996,726)	
			187,419,253		163,898,030
Operating Profit Before Working Capital Changes			194,163,989		233,640,002
<i>Adjustment For :</i>					
Trade Receivables		Si8,044,523		(157,156,949)	
Inv entories		(63,766;74)		(12,053,566)	
Loans & Advances		15,795,881		(62,802,416)	
Other Current Assets		153,153		(153,183)	
Trade Payables		(173,395,347)		55,207,108	
Other Liabilities & Provisions		4,308,482		(1,345,252)	
			101,140,148		(178,234,258).
Cash Generated From Operations			295,304,137		59,305,743
Direct Taxes Paid(Met)			(10,017,561)		(12,018,560)
Net Cash Generated From/(Utilised in) Operating Activities			285,286,576		47,787,183
Cash Flow horn Investing Activities					
Purchase Of Tangible fixed Assets (Net)		(24,851,887)		(33,373,333)	
Sale Of Tangible Fixed Assets		2,668,442		6,480,139	
Purchase Of Equity Shares Of subsidiary		-		-	
Dividend Received		7,500		7,300	
Net Cash Generated From/ (Utilised in) Investing Activities			(22,175,945)		(26,885,494)
Cash Flow From Financing Activities					
Loan given to Subsidiary		(62,394,909)		(30,984,894)	
(Repayment) of /Proceeds From Borrowings		(34,075,920)		133,733,737	
Interest Received		29,808,487		49,929,403	
Interest Paid		(167,147,283)		(170,703,951)	
Dividend Paid (Incl. Of Tax)		(38,023,925)		(15,034,930)	
Net Cash Generated From/ (Utilised in) financing Activities			(271,833,552)		(33,060,634)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)			(8,722,922)		(12,159,145)
Cash And Cash Equivalents At Beginning Of The Year		14,832,534		26,991,678	
Cash And Cash Equivalents At End Of The Year		6,109,612		14,832,533	
Net Increase/ (Decrease)			(,722.922)		(12,159,145)
Note: 1 Cash And Cash Equivalents Consists Of Cash On Hand And Balance With Banks. 2 The Above Cash Flow Statement Has Been Prepared Under The Indirect Method As Set Out In Accounting Standard - 3 'Cash Flow Statement' Issued By The institute Of Chartered Accountants Of India. 3 Previous Year's Figures Have Been Re-Grouped / Re -Arranged, Wherever Considered Necessary. As per our report of even date attached For Bhuta Shah & Co. Chartered Accountants Firm R g. No.: 101474W CA Mitesh Kothari Partner Membership No. 110822 Mumbai 24 th May, 2014 For and on behalf of the Board Amrut P. Shah Chairman & Managing Director Shanlilal P, Shah Whole-time Director Hasmukh A. Gada Whole time Director					

SUNDARAM MULTI PAP LIMITS)

FINANCIAL YEAR 2013 -14

SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with Generally Accepted Accounting Principles.

ii. Use of Estimates:

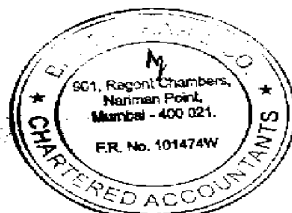
Preparation of financial statements in conformity of Generally Accepted Accounting Principles requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions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

iii. Fixed Assets:

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

iv. Depreciation/ Amortization:

Depreciation on fixed assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Brand will be amortized over a period of five subsequent years on a systematic basis as decided by the management at the rate of 20% in each year.



SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2013 -14

v. Investment

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined on individual investment basis.

vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

vii. Revenue Recognition:

- a) The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.
- b) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- c) Interest income is recognized on the time proportion basis.

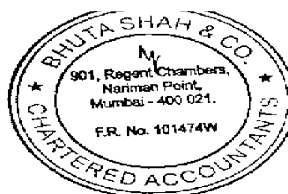
vii i. Export Incentives:

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

ix. Employee Benefits:

a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc.



SUNDARANI MULTI PAP LIMITED

FINANCIAL YEAR 2013 -14

and the expected cost of ex-gratis are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

i) Defined contribution plans:

The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii) Defined benefit plan:

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

c) Leave encashment:

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

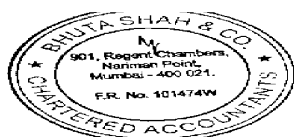
x. Foreign Currency Transactions:

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

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

xi. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a



SUN DARAM MULTI PAP LIMITED

FINANCIAL YEAR 2013 - 14

substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

xii. Provision for Taxes:

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and Taxes that are substantively enacted as of the Balance Sheet date.

Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realized in future.

xiii. Impairment of Fixed Assets:

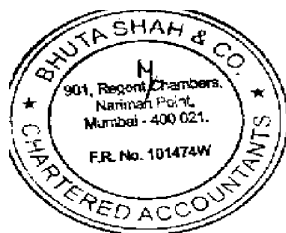
At each Balance Sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment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

xiv. Leases:

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

xv. Financial Derivatives Hedging Transaction;

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



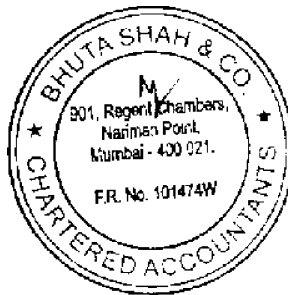
NDARAM MULTI PAP LIMITED
FINANCIAL YEAR 2013 -14

xvi. Contingent Liability:

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

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

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



SUNDARAM MULTIPAP LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1: SHARE CAPITAL

	As at 31 st March, 2014	As at 31 st March, 2013
<u>Authorized Capital</u>		
250,000,000 (P.Y. 250,000,000) Equity Shares of Re. 1/- Each	250,000,000	250,000,000
	250,000,000	250,000,000
<u>Issued, Subscribed & Paid-up Capital</u>		
215,605,773 (P.Y 215,605,773) Equity Shares of Re.1/- Each Fully Paid	215,605,773	215,605,773
Total of Issued , Subscribed and Fully Paid up Share Capital	215,605,773	215,605,773

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

Particulars	2013-14		2012-13	
	Equity Shares		Equity Shares	
	Number	Rs	Number	Rs
Shares Outstanding At The Beginning Of The Year	215,605,773	215,605,773	71,868,591	71,868,591
Shares Issued During The Year	-	-	143,737,182	143,737,182
Shares Bought Back During The Year	-	-	-	-
Shares Outstanding At The End Of The Year	215,605,773	215,605,773	215,605,773	215,605,773

b) Terms And Rights Attached To Fortuity Shareholders:

The company has only one class of **equity** shares having a face value of 1/- per share. Each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the company in respect of any of the shares of such member. All equity shares of the company rank pari passu in all respect including the right to dividend. The dividend is recommended by the board of directors and declared by the members at the ensuing annual general meeting. The board of directors have a right to deduct from the dividend payable to any member any sum due from him to the company.

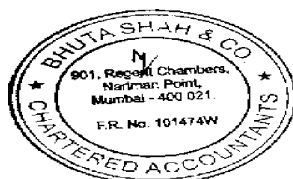
In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956, read together with the memorandum of association and articles of association of the company, as applicable.

c) The company does not have any holding company or ultimate holding company. Promoter shareholding in the company including persons acting in concert with the promoters as on March 31, 2014 is 117,718,959 equity shares. i.e. 54.60 % of the equity share capital of the company. Previous year March 31, 2013 is 134,583,293 equity shares i.e. 62.42 %,.

d) the Details Of Share Holders Holding More Than 5% Shares:

	As at 31 st March 2014		As at 31 st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Amrut P Shah	35,929,325	16.66	37,485,489	17.39
Raichand P Shah	34,308,304	16.14	34,808,304	16.14
Shantilal P Shah	20,451,537	9.49	32,949,789	15.28
Citigroup Global Markets Mauritius	11,994,157	5.56	14,649,156	6.79
Ganjam Trading Pvt Ltd	14,999,499	6.96	-	-



SUNDARAM MULTI PAP LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 2 RESERVES & SURPLUS

	As at 31st March, 2014	As at 31 st March, 2013
Reserves & Surplus		
Opening Balance	700,00	700,000
Add: Capital Reserve		
Capital Reserve - Closing Balance	700,000	700,000
Securities Premium Reserve		
Opening Balance	466,413,981	466,413,981
Add; Securities Premium Reserve		
Securities Premium Reserve - Closing Balance	466,413,981	466,413,981
Revaluation Reserve		
Opening Balance		
Add; Revaluation of Land	443,754,167	
Revaluation Reserve Closing Balance	443,754,167	
General Reserve		
Opening Balance	16,972,914	16,972,914
Add: Transfer From Statement Of Profit And Loss		
General Reserve - Closing Balance	16,972,914	16,972,914
Surplus In The Statement Of Profit And Loss		
Opening Balance	439,529,341	417,404,473
Add: Net Profit/(Loss) For The Year	1,025,137	45,513,082
Balance Available For Appropriation	440,554,479	462,917,555
Add; Appropriations		
Reversal Of Excess Provision ion Of Proposed Dividend During F.Y. 2011-12		1,437,108
Reversal Of Excess Provision Of Dividend Distribution Tax During F.Y. 201112		233,459
Less: Appropriations		
Proposed Dividend	2,156,057	21,560,577
Dividend Distribution Tax	366,422	3,498,204
Transfer To General Reserve		
Net Surplus In The Statement Of Profit And Loss	438,032,000	439,529,341
Total Of Reserves And Surplus	1,365,873,062	923,616,236

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

NOTE 3 : LONG TERM BORROWINGS

	As at 31 st March, 2014	As at31 st March, 2013
Term Loan		
From Banks		
State Bank Of India *	190,000,000	202,500,000
Yes Bank +	-	40,000,000
Vehicle Loans @	909,516	1,652,130
Unsecured		
From Other Financial Institution**		3,766,097
(Refer Note 8 For Current Maturities Of Long Term Debt)		
Deferred Payment Liabilities		
Unsecured		
Sales Tax Deferred. Loan***	13,679,510	13,679,510
Loan From Sicom	2,064,441	2,064,441
Deposits		
Unsecured		
Deposits	798,200	498,200
Total Of Long Term Borrowings	197,451,667	264,160,378



SUNDARAM MULTI PAPER LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

In case of delay /default as on the Balance Sheet date in repayment of loans and interest with respect to above :

(1)Period of Default :1 month I Earlier Years

(2)Amount : 24,850,000 / 20,61,441

* Secured primarily by first pari passu charge of immovable and movable fixed assets of the company including factory building and office premises as well as personal guarantee of three directors and collaterally secured by extension of hypothecation charge over current assets of the company, carrying floating rate of interest ranging from 3.50 % to 3.65% above base rate repayable by December, 2019.

+ Secured by subservient charge over current and movable fixed assets of the company , personal guarantee of three directors and pledge of shares of Company held by promoters carrying floating rate of interest of 3% above base rate repayable by March, 2015

@ Secured by Hypothecation of respective vehicles purchased carrying interest ranging from 11.74% To 13.51% and repayable by August-2014 To July-2016.

** Carrying interest ranging from 8.33% To 18,259 and repayable by November, 2014 to February. 2015.

*** Repayment shall commence from the financial year 2015-16 up to 2024-25.

NOTE 4: DEFERRED TAX LIABILITIES (NET)

	As at 31 st March, 2014	As at 31 st March, 2013
Liability Related To Fixed Assets	36,133,774	33,579,292
Assets	-	-
Total	36,133,774	33,579,292
Less: Opening Net Deferred Tax. Liability	33,579,292	27,894,415
Net Deferred Tax Liability Charged To Statement Of Profit And Loss	2,554,483	5,634,877

NOTE 5 : LONG TERM PROVISIONS

Amount in Rs

	March, 2014	March, 2013
Provision For Employees Benefit		
Provision For Gratuity	2,691,297	2,691,297
Total of Long Term Provisions	2,691,297	2,691,297

Note 6 SHORT TERM BORROWINGS

Rs

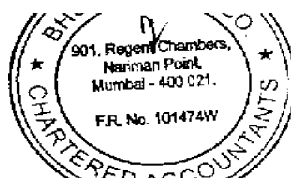
Rs

	As at 31 st March, 2014	As at 31 st March, 2013
Loan Repayable On Demand		
From Banks		
Secured		
Cash Credit From State Bank Of India**	513,333,132	529,038,047
Cash Credit From Industrial Development Bank Of India 0	101,363,758	100,065,920
From Public Financial Institutions ""	6,560,460	-
Unsecured		
From Banks 0	22,688,699	-
From Other Financial Institutions*	-	37,456,272
1-cans & Advances From Related. Parties		
Unsecured		
Loan From Directors ###	40,040,035	47,088,463
Deposit		
Unsecured		
Iniercorporate Deposits##	195,787,435	133,494,027
Total Of Short Term Borrowings	879,775,519.	847,142,7101

In case of delay/default as on the Balance Sheet date in repayment of loans and interest with respect to above:

(1) Period of Default :1 - 2 months

(2) Amount: Rs 114,527,055/- (includes 101,365,75AS/ on account of renewal of working capital facilities under process)



SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

* Loan is taken ranging from 9% to 17% interest rates against pledge of shares of Company held by Promoters.

** Secured primarily by first pari-passu charge over current assets including stock of raw material, stock- in-process, finished goods, stores & spares, receivables and other current assets of the company with other working capital lender and personal guarantee of three directors and collaterally secured security by way of second pari passu charge over movable and immovable fixed assets of the company including factory premises carrying interest rate of 3.50% above base rate.

Secured primarily by first pari-passu charge on all the current assets of the company along with other working capital lender and personal guarantee of three Directors and collaterally secured by way of second pari passu charge over movable and immovable fixed assets of the company including factory and office premises carrying interest rate of 3% above base rate.

*** Secured against Lien on Keyman Insurance Policies in name of two Directors bearing interest rate of 10%

@ Loan is taken on personal guarantee of promoters bearing interest rate of 18%.

Loan from two Directors is interest free and from one director is at the rate of 14%.

All inter corporate deposits are taken against pledge of Promoters Equity Shares held in the company.

NOTE 7 TRADE PAYABLES

	As at 31 st March, 2014	As at 31 st March, 2013
Trade Payables	140,495,914	313,891,261
(Refer Note 30 For Details Of Dues To Micro, Saudi And Medium Enterprises)		
Total Of Trades Payable	140,495,914	313,391,261

NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31 st March, 2014	As at 31 st March, 2013
Current Maturities Of Long -Term Borrowings (Refer No.3)		
From Banks	52,014,163	102,327,968
from other Financial Institutions	2,361,310	11,175,388
Vehicle Loans	1,434,034	1,498,414
Advance From Customers	24,722,358	5,637,231
Interest Accrued But Not Due On Borrowings	2,056,519	3,737,795
Unpaid Dividend	13,521,559	465,267
Other Payables		
Outstanding Expenses	11,927,544	3,742,979
Outstanding Statutory Liabilities	7,604,2M	25,713,280
Total Of Other Current Liabilities	145,641,755	154,298,222

NOTE 9: SHORT TERM PROVISIONS

	As at 31 st . March, 2014	:As at 31 st March, 2013
Proposed Dividend	2,156,057	21,560,577
Provision For Dividend Distribution Tax	366,422	3,498,204
Provision For Tricorne Tax		4,237,254
Total Of Short Term Provisions	2,522,479	29,296,035

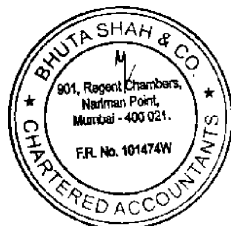


NOTE 11 NON CURRENT INVESTMENTS

	As at 31 st March, 2014	As at 31 st March, 2013.
Investment In Unquoted Equity Instruments		
Subsidiary		
15,000,000 Equity Shares Of Z10/- Each Fully Paid Up Of E-Class Education System Ltd. (Previous Year 15,000,000 Shares)	150,000,100	150,000,000
	50,000	50,000
5,000 Equity Shares Of 710/- Each Fully Paid Up Of Abhivudalia CO-Operative Rank Ltd. (Previous Year 5,000 Shares)		
Total Of Non-Current Investment	150,050,000	150,050,000

NOTE 12 LONG TERM LOANS AND ADVANCES

	As at 31 st March, 2014	As at 31 st March, 2013
Advance For Capital Assets		
Unsecured, Considered Good.	9,284,729	45,038,589
Security Deposits		
Unsecured, Considered Good	4,3104,334	4,788,891
Total Of Long Term Loans And Advances	13,589,063	49,827,480



SUN DARAM MULTI PAP LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

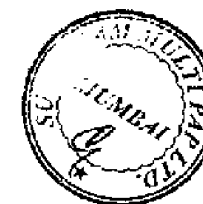
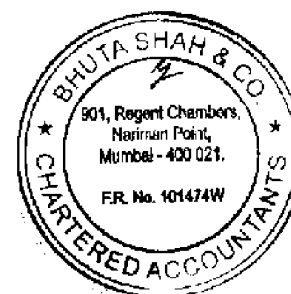
NOTE 10 FIXED ASSETS AS ON 31st MARCH 2014

Amount in Rs

Particulars	GROSS BLOCK (AT COST)				DEPRICIATION			NET BLOCK		
	As on 1st April, 2013:	Additions During the Year	Deduction& During the Year	As on 31st March, 2014	As on 1st April, 2013	For the Year	Deduction& During the Year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
A. Tangible Assets: (Owned)										
Freehold Land	186,725,581	443,754,167		6,90,479,748	-	-	-	-	630,479,748	186,725,531
Building	234,231,017	1,183,366	2,451,313	235,966,060	33,483,409	7,306,771	551,792	45,733,389	190,227,672	195,750,599
Plant & Machinery	50,53,376,357	47,758,449	721,601	552,413,206	122,958,465	24,275,962	344,262	146,391,165	405,521,041	182,417,892
Furniture & Fixture	76,096,501	508,322	2,826,395	73,778,428	24,698,144	4,754,643	1,216,388	28,256,399	45,542,028	51,393,357
Vehicles	26,889,673	1,287,744	902,942	27,774,475	12,573,534	2,616,564	446,325	14,743,773	12,530,702	14,316,140
Office Equipment's	5,343,558	723,300	50,000	6,016,858	4,327,322	936,595	50,000	5,213,917	802,942	1,016,235
Total Tangible Assets	1,034,665,677	498,215,348	6,952,250	1,525,928,775	203,040,874	40,390,536	2,608,766	240,822,643	1,285,106,133	831,624,801
B. Intangible Assets:										
Brand	72,930,746			72,930,746	40,841,213	8,022,382		48,863,600	24,067,146	32,089,528
Total Intangible Assets	72,930,746	-	-	72,930,746	40,841,218	8,022,332	-	48,863,600	24,067,146	32,089,528

CAPITAL WORK IN PROGRESS

Particulars	As On 1st April, 2013	Additions During the Year	Deductions During the Year	As on 31st March 2014
Building	2,685,080	1,498,286	4,183,366	-
Plant & Machinery	26,705,424	20,437,225	47,230,649	-
Furniture & Fixture	130,790	297,403	123,193	-
Vehicle 5	-	-	-	-
Total Tangible Assets	29,609,294	22,232,914	51,842,208	-



SUNDARAM MULTIPAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 13: INVENTORIES

	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	166,882,137	174,565,055
Work-In-Progress	170,473,002	178,950,871
Finished Goods	18,610,835	79,278,958
Trading Goods	207,093,750	63,586,805
Stores for Spares	43,945,519	42,35 %781
Total Of Inventories	607,507,242	543,740,469

NOTE 14: TRADE RECEIVABLES

	As at 31 st March, 2014	As at 31 st March, 2013
Debts Overdue Beyond 6 Months		
Unsecured, Considered Good	360,456,232	215,462,385
Others		
Unsecured, Considered Good	129,069,515	592,107,883
Total Of Trade Receivables	489,525,745	807,570,268

NOTE 15 CASH AND CASH EQUIVALENTS

	As at 31 st March, 2014	As at 31 st March, 2013
Cash-In-Hand		
Cash advance	3,425,008	7,063,555
Sub Total (A)	3,425,008	7,063,555
Bank Balance		
In Current Accounts	1,974,513	7,027,130
In Deposit Accounts	153,611	276,581
In Dividend Accounts	556,480	465,267
Sub Total (B)	2,684,604	7,76,5,979
Total Of Cash And Cash Equivalent (A) + (B)	6,109,612	14,83,533

Includes Deposit With Banks Of 153,611/- (Previous Year 276,581) With original maturity Of more than 12 months

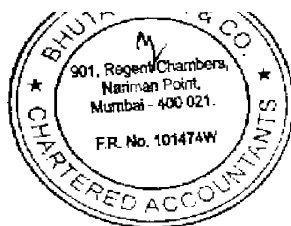
NOTE 16 : SHORT TERM LOANS AND ADVANCES

	As at 31 st March, 2014	As at 31 st March, 2013
Loans & Advances To Related Parties		
Unsecured, Considered Good		
Loan To Subsidiary - &Class Education System Ltd.	185,977,745	123,582,836
Others		
Advance To Suppliers	87,333,454	96,716,224
Advance Income Tax (Net Off Provision For Tax)	2,615,191	
Balance With Revenue Authorities	4,185,217	4,774,307
Prepaid Expenses	4,228,482	4,029,964
Advance To Employees	710,840	4245110
Other Advances	125,038,367	95,106,819
Total Of Short Term Loan And Advances	410,089,296	: '324)634660



NOTE 17 : OTHER CURRENT ASSETS

	AS at 31 st March, 2014	As at 31 st March, 2013
Dividend Receivable	7,500	7,500
Interest Receivable	139,503	292,686
Total Of Other Current Assets	147,003	300,186



SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 18: REVENUE FROM OPERATIONS

	Year Ended ,31st March, 2014	Year Ended ,31st March, 2013
Sale of Products		
Local Sales	1,114,332,270	1,101,991,977
Trading Sales	426,881,248	702,611,548
Export Sales	29,799,658	41,330,946
	1,571,013,176	1,845,934,471
Other Operating Revenues		
Advertiser/lent Income	2,000,000	1,000,000
	1,573,013,176	1,000,000"
Less: Excise Duty	32,151,250	31,476,945
Total Of Revenue From Operations	154,0861,926	1,815,457,526

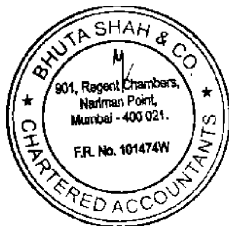
NOTE 19 : OTHER INCOME

Z

	Year Ended 31st March., 2014	Year Ended 31st March, 2013
Dividend	7,500	7,500
Rent Received	864,000	864,000
Duty Drawback	-	499,438
Exchange Fluctuation On Exports	4,527,179	3,584,378
Royally Income	1,000,000	-
Profit On Sale' Of Fixed Assets (Net)		4,996,726
Miscellaneous Income	20,640	
Sundry Balance Written Back	-	166,330
Total Of Other Income	6,419,319	.10,113,372

NOTE 20 : COST OF MATERIAL CONSUMED

	Year Ended 31st March, 2014	year Ended 31st March, 2013
Raw Material Consumed		
Opening Stock	179,565,055	191,597,282
Add: Purchases	664,443,337	646,900,836
Raw Material Sales	(14,973,393)	
Transport Inwards	20,808,271	24,604,211
	849,843,270	863,102,349
Less: Closing Stock	166,882,137	179565,0.35
Total Of Cost Of Material Consumed	• 682,961;133	• 683,537,294 •



NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRI

	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Opening Stock-Finished Goods	79,278,958	76,942,243
Opening Stock-Work In Progress	178,950,871	216,488,019
Less: Closing Stock-Finished Goods	13,610,835	79,278,958
Less: Closing Stock-Work In Progress	170,975,002	178,950,871
Total Of Changes In inventories Of Finished Goods And Work-rn-Progress	68,643,992	35,200,435

NOTE 22: EMPLOYMENT BENEFIT EXPENSES

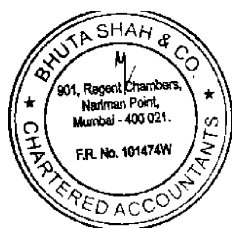
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Salaries & Wages	27,044,100	27,127,909
Contribution To Provident Fund , Gratuity And Other Funds	1,208,349	1,299,296
Director's Remuneration	6,000,000	18,750,000
Staff Welfare	5,91,593	987,197
Total of Employment Benefit Expenses	34,844,042	48,164,462

NOTE 23 : FINANCE COST

	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Interest Expenses	165,477,994	162,159,093
Other Borrowing Costs	1,723,292	11,144,495
Less: Interest Capitalised	54,002	2,599,637
	167,147,283	170,703,951
Less :-Interest Income	29,508,487	49,929,403
Total Of Financial Cost	137,338,796	120,774,518

NOTE 24 : DEPRECIATION & AMORTIZATION EXPENSES

	Year Ended 31 st March, 2014	Year Ended 31 st March, 2014
Depreciation	40,390,533	40,105,326
Amortisation Of Intangibles	8,022,382	8,022,382
Total Of Depreciation & Amortization Expenses	48,412,915	48,127,708

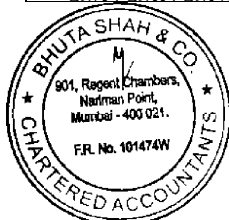


SUNDARAM MULTIPAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 25: OTHER EXPENSES

	Year Ended 31st March, 2014.	Year Ended 31st March, 2013
Note 25 A: Manufacturing Expenses		
Power Arid Fuel	7,507,421	4,900,571
Job Work Expenses	12,713,717	16,931,228
Repair & Maintenance To Building	1,881,053	1,712,809
Repair & Maintenance To Machinery	2366,943	3,686,583
Security Expenses	598,573	616,319
Service Tax	686,573	591,376
Other Manufacturing Exp	193,688	394,550
Stores & Packing Material Consumed	83,990,924	66,709,514
Sub Total Note 25 A	109,938,892	95,542,950
Note 25 B: Selling & Distribution Expenses		
Sales Promotion & Advertisement Expenses	2,772,313	2,540,322
Freight, Clearing & Forwarding Charges	5,935,577	8,193,342
Loading & Unloading Charges	1,443,978	1,721,065
Commission Charges	3,258,147	7,735,831
Tempo Expenses	3,078,416	2,882,520
Sub Total Note 25 B	16,488,431	23,073,086
Note 25 C: Administrative Expenses		
Rent Expenses	1,753,651	2,423,624
Insurance Expenses	8,965,366	5,899,239
Rates & Taxes Expenses	435,3241	790,200
Wealth Tax	66,760	66,760
Motor Car Expenses	1,484,745	1,752,929
Travelling Expenses	1,927,178	3,348,087
Computer Maintenance	28,993	137,824
Conveyance Expenses	76,208	78,317
Postage & Courier	202,014	345,222
Legal, Professional & Consultancy Charges	4,391,500	6,551,413
Printing & Stationery	545,752	695,147
Auditors Remuneration (Refer Note - 29)	2,096,068	1,825,850
Donation	837,743	480,250
Amalgamation Expenses	-	933,784
Electricity Expenses	1,031,328	1,201,565
Listing & Registration Fees	367,942	554,183
Loss on Sale Of Fixed Assets (Net)	1,675,042	-
Subscription Charges	33,804	135,904
Sundry Balance W/Off	2,672,267	17,188
Telephone Expenses	828,698	1,018,782
Loss On Forex Derivatives		578,256
Sundry Expenses	239,979	222,756
Sub Total Note 25 C	29,660,358	32,056,380
Total of Other Expenses (Note 25A + 25B + 25C)	156,087,681	150,672,415



Sundaram Multi Pap Limited

Notes forming part of financial Statements for the year ended 31st March, 2014

Note 26

Contingent Liability: NIL (P.Y. NIL)

Note 27

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 28

Balances of certain trade receivables, trade payables and loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material variation affecting the current year's financial statements on account of such reconciliation / adjustments.

Note 29

Auditors Remuneration:

(Amount in Rs)		
Particulars	Current Year	Previous Year
Audit fees	650,000/-	550,000/-
fax Audit fees	180,000/-	175,000/-
Income Tax Matters	1,250,000/-	955,060/-
Others	16,068/-	145,790/-
Total	2,096,068/-	1,825,850/-



Note 30

Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said ad have not been given.

Note 31

Employee Benefits: - Gratuity

The principal actuarial valuation assumptions used as at the balance sheet date by Life Insurance Corporation of India are as under;

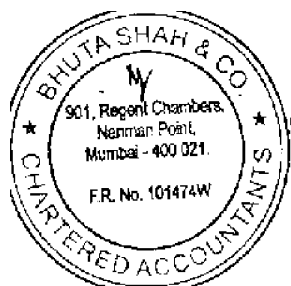
1) Valuation Dale	31st March, 2014
2) Valuation Method	Projected Unit Credit Method
3) Mortality Rate	LIC (1994-96) Ultimate
4) Withdrawal Rate	1% to 3% depending on age
5) Discount Rate	8% p.a.
6) Salary Escalation	8%

Note 32

Segment Reporting:

Primary Segment (Business):

The Company operates in single business segment of manufacture and sale of exercise note books and paper. Hence, further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.



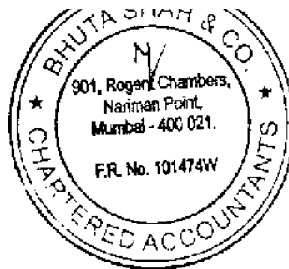
Note 33**Related Party Disclosures:**

- a) List of related parties with whom the company has entered into transactions during the year in **the ordinary course of business**:

Relationship	Name	Nature
Wholly owned Subsidiary	E Class Education System Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman & Managing Director
	Mr. Shantilal P. Shah	Whole-time Director
	Mr. Hasmukh A. Gada	Whole-time Director
Enterprise over which KMP are able to exercise significant influence	Sundaram Bio-Tech Pvt Ltd	Company
Relatives of KMP	Mr. Raichand P. Shah	Brother of Amrut P. Shah & Shantilal P. Shah
	Mrs. Nayna S. Shah	Wife of Shantilal P. Shah
	Mrs. Virnala A. Shah	Wife of Amrut P. Shah

b) Transactions with Related Parties: Amount in

Particulars	Wholly Owned Subsidiary	104P	Relatives of KMP
Loan Given to E Class Education System Ltd	139,719,074/- (111,226,939)/-	- (-)	(-)
Repayment of Loan Given to E Class Education System Ltd	77,324,165/- (101,218,681)/-	- (-)	- -
Interest charged on Loan Given to E Class Education System Ltd	23,009,388/- (23,307,373)/-	- (-)	- (-)



Particulars	Wholly Owned Subsidiary	KMP	Relatives of KMP
Loan Taken	-	106,939,028/-	-
Details are as under:	(-)	(93,217,071)/- 79,619,835/-	(-)
Mr. Amrut P. Shah		(66,172,093)/-	
Mr. Shantilal P. Shah		14,819,193/-	
Mr. Hasmukh A. Gada		(24,715,735)/- 12,500,000/- (2,329,243)/-	
Repayment of Loan taken	(-)	113,828,770/- (46,135,073)/-	(-)
Details are as under:		94,271,901/-	
Mr. Amrut P. Shah		(34,426,361)/-	
Mr. Shantilal P. Shah		19,555,869/- (9,533,798)/-	
Mr. Hasmukh A. Gada		NIL (2,174,914)/-	
Remuneration		60,00,000/- (21,00,000)/-	400,000/- (2,400,000)/-
Details are as under:	-	2,000,000/-	
Mr. Amrut P. Shah		(12,00,000)/-	
Mr. Shantilal P. Shah		1,000,000/-	
Mr. Hasmukh A. Gada		(6,00,000)/-	
Mr. Raichand P. Shah		3,00,000/- (3,00,000)/-	400,000/- (2,400,000)/-
Rent Paid to			189,000/-
Mrs. Nayna S. Shah	(-)	(-)	(324,000)/-
Interest Paid to Mr. Hasmukh A. Gada	-	201,370	-
	(-)	(-)	(-)

Figures in bracket reflects previous year's amount



c) Outstanding Balances of Related Parties:

Amount in Rs

Particulars	Wholly Owned Subsidiary	KMP	Enterprise over which KMP are able to exercise significant influence	Relatives of KMP
Recoverable	185,977,745/- (123,582,836)/-	- (-)	3000/- (3000)/-	- -
Payables	(-) (-)	40,040,035/- (47,088,463)	- -	1,560,277 (395,765)
Investments	150,000,000/- (150,000,000)/-	- (-)	- -	- (-)

Figures in bracket reflects previous year's amount.

Note 34 Computation of Basic and Diluted Earnings per share:

Particulars	Current Year	Previous Year
Net Profit After Tax available to equity shareholders (in Rs)	1,025,137	45,513,082/-
Number of Equity Shares (in nos.)	215,605,773	215,605,773/-
Basic and diluted earnings per share (Face Value Re 1/-) (in Re)	0.01	0.21

Note 35

a) Details of Sales value of Products:

Particular	Sale Value Rs	
	Current Year	Previous Year
Class of goods		
Exercise Books	1,053,538,884/-	1,061,991,547/-
Paper	58,441,794/-	49,854,431/-
Trading	426,881,248/-	702,611,548/-
Total	1,538,861,926/-	1,814,457,526k

The above figures are net of excise duty of Rs 32,151,250/- (P.Y. Rs 31,476,945/-)



b) Details of opening & closing stock of Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	Current Year	Previous Year	Current Year	Previous Year
Exercise Books	77,077,560/-	74,421,334/-	17,798,242/-	77,077,560/-
Paper	2,201,398/-	2520,910/-	812,593/-	2,201,398/-
Trading of Copier	63,586,805/-	Paper & Others 13,711,952/-	207093,730/-	63,586,805/-
Total	142,865,763/-	90,654,196/-	225,704,585/-	142,865,763/-

c) Details of Opening & Closing Stock of Semi-Finished Goods:

Class of Goods	Opening Stock (in Rs)		Closing Stock (in Rs)	
	Current Year	Previous Year	Current Year	Previous Year
Exercise Books	163,150,611/-	176,807,400/-	151,836,018/-	163,150,611/-
Paper	15,800,260/-	39,680,619/-	19,138,974/-	15,800,260/-
Total	178,950,871/-	216,488,019/-	170,975,002/-	178,950,871/-



Note 36**Value of Raw Material Consumed:**

Particulars	Current Year		Previous Year	
	Amount Rs	%	Amount Rs	%
Raw Materials				
(Paper & Paper Boards)				
(i) Imported	4,990,828/-	0.77%	12,521,453/-	1.83%
(ii) Indigenous	677,970,305/-	99.23%	871015,841/-	98.17%
Total	682,961,133/-	100.00%	683,537,294/-	100.00%



Note 37

Earnings & Expenditure in Foreign Currency:

Amount in Rs

Particulars	Current Year	Previous Year
F.O.B. Value of Exports	29,438,630/-	39,393,254/-
C.I.F Value of Imports:		
Raw Materials	4,990,828/-	3,942,558/-
<u>Expenditure:</u>		
Traveling Expenses	470,900/-	660,127/-

Note 38

During the year, operations of Paper Mill at Nagpur were temporarily suspended by the company.

Note 39

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For Bhuta Shah & Co,
Chartered Accountants
Firm Reg n. No. 101474W



CA Mitesh Kothari
Partner

Membership No. 110822

Mumbai, 24th May, 2014

For and **on behalf of the Board**

ut P. Shah

Chairman & Managing Director Wholetime Director



Hasmukh A. Dada
Whole-time Director



Shantilal P. Shah

BOARD OF DIRECTORS

Sundaram Multi Pap Limited is a professionally managed organization. The Company functions under the control of a Board of Directors. The day to day matters are looked after by qualified key personnel, under the supervision of the Managing Director.

Name, Fathers' name Designation, Status, Experience, Occupation, Address	Age (In Years)	Qualifications	DIN	Date of expiration of current term of office
Mr. AMRUT PREMJI SHAH, (S/o: Mr. Premji Bhimshi Shah) Designation: Chairman & Managing Director Status: Married Experience: More than 30 years Occupation: Business Address: 502, 5 th Prangan, Malviya Road, Vile Parle (E), Mumbai-400 057	55 Years	Under Graduate	00033120	31 st March, 2018
Mr. SHANTILAL PREMJI SHAH, (S/o: Mr. Premji Bhimshi Shah) Designation: Whole-time Director Status: Married Experience: More than 20 years Occupation: Business Address: 302, Saarthi, Hanuman Road, Vile Parle (E), Mumbai- 400 057	45 years	Under Graduate	00033182	31 st March, 2018
Mr. MANI KANDAM PARAMESHWARAM KAMMENCHERY, (S/o: Parameshwaram Kammenchery) Designation: Independent Director	57 Years	Under Graduate	03323385	29 th September, 2019

Status: Married Experience: more than 20 years Occupation: Business Address: Shree, Plot No. -17, Tembhode Road, Behind Renuka Complex, Palghar, Thane - 401404				
Mr. KAUSHAL RAJESH SHETH (S/o: Mr. Rajesh Gulabrai Sheth) Designation: Independent Director Status: Single Experience: more than 5 years Occupation: Self-employed Address: H1-C 403, Trimurti CHS Ltd, Mhada Colony, Laxmi Nagar, Ghatkopar(East) Mumbai - 400077	30 years	Commerce Graduate	06949468	29 th September, 2019
Mr. MINJAL VIPUL KADAKIA (S/o: Vipul Babulal Kadakia) Designation: Independent Director Status: Single Experience: more than 7 years Occupation: Service Address: Niraj CHS Ltd, Flat No. 16, 4 th Floor, 70 Walkeshwar Road, Mumbai - 400006	36 years	Post Graduate	07135977	29 th March, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the Company's audited financial statements as of and for the years ended March 31, 2014, 2015 and 2016, prepared in accordance with the Companies Act and Indian GAAP.

Unless indicated otherwise, the financial data in this section is derived from the Company's audited financial statements prepared in accordance with Indian GAAP. The Company's FY year ends on March 31 of each year, so all references to a particular FY year are to the 12 month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties. The actual results may differ from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Preliminary Placement Document.

OVERVIEW OF THE BUSINESS OF THE COMPANY

Sundaram multi pap ltd was incorporated on 13th March, 1995 with the Registrar of Companies, Maharashtra, at Mumbai and the Certificate of Commencement of Business was obtained on 10th April, 1995 in the area of manufacturing of stationery products. Sundaram Multi Pap Limited designs, manufactures and markets paper stationery products – exercise note books, long books, note pads, scrap books, drawing books, graph books - for students of all ages, as well as office/ corporate stationery products and printing, writing & packaging paper.

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

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

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

During the FY 2015-16, the company reported net sales of Rs 9602.13 Lacs with profit after tax of Rs (641.22) Lacs as compared to Rs 8330.25 Lacs and Rs. (1674.65) Lacs respectively during the corresponding period based on the restated financial statements of the Company.

i. FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

The financial condition of the Company and its results of operations are affected by numerous factors including the following:

General economic and business conditions:

The demand for the Company's products and its business is dependent on general economic conditions in India and, may be affected if there are changes in business conditions in the country. In the era of globalization and cut throat competition, the Indian Industry is facing hurdles, which depend upon the following factors:

Other Factors: The Company's results of operations are dependent upon its success in managing its manpower. The Company has to schedule out manufacturing process and procurements according to delivery schedule of its customers. Any change in schedule may affect its operation in the short run.

Cost of funds: Another important problem that is hampering the India's competitiveness is the cost of funds available for promoting new projects. The higher cost of funds increases the required rate of return of projects, which consequently impedes further investment in any projects. Lending rates in India continue to be still higher in comparison to the international markets. Interest rate is mainly a function of two factors namely underlying liquidity and policies of the RBI, which in turn is influenced by trends in international rates, external sector

scenario and inflation rate.

Key factors influencing results of operations

Several factors influence the Company's results of operations, financial condition and cash flow significantly. The key factors affecting its operations include:

1. New competitive businesses.
2. Government Regulations and Policies.
3. Any slowdown in the economic growth.
4. Technology Up gradation.

SUMMARY AND COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY

						Amount in lacs
PARTICULARS	2015-16	2014-15	Increase/ Decrease%	2014-15	2013-14	Increase/ Decrease%
INCOME						
Revenue from Operations	9847.28	8483.12	16.08	8483.12	15617.25	(45.68)
Other Operating Revenue	5.55	9.00	(38.33)	9.00	20.00	(55)
TOTAL SALES	9852.83	8492.12	16.02	8492.12	15637.25	(45.69)
Other Income	27.41	20.52	33.51	20.52	64.19	(68.02)
TOTAL INCOME	9880.24	8512.64	16.07	8512.64	15701.44	(45.78)
EXPENDITURE						
Cost Of Material Consumed	6049.95	5986.55	1.05	5986.55	6880.53	(62.45)
Purchase of Stock-in-trade	191.52	2086.37	(90.82)	2086.37	4122.47	(49.39)
Change in inventories of finished goods, work-in-progress and stock-in-trade	1231.89	(1139.02)	208.15	(1139.02)	686.44	(52.14)
Employees benefit expenses	373.45	429.88	(13.12)	429.88	472.12	(8.94)
Finance Cost	1219.04	1605.77	(24.08)	1605.77	1710.19	(6.10)
Depreciation & Amortization expenses	398.85	529.04	(24.60)	529.04	691.49	(23.49)
Other expenses	743.95	1014.74	(26.68)	1014.74	1739.08	(41.65)
TOTAL EXPENDITURE	10208.65	10513.34	(2.89)	10513.34	16302.32	(35.51)
Exceptional Items	(688.71)	(340.30)	102.38	(340.30)	----	----
Profit before Tax	(1017.13)	(2341)	56.55	(2341)	(600.88)	289.60
Provision for Tax	(1.37)	(74.16)	98.15	(74.16)	(14.21)	421.88
Profit after Tax	(871.76)	(2266.83)	61.54	(2266.83)	(358.77)	531.83

COMPARISON OF FIGURES OF THE MAJOR HEADS OF THE PROFIT AND LOSS STATEMENT, INCLUDING AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Comparison of Fiscal 2016 to Fiscal 2015

Total Income

Total Income increased by 16.07% in FY 2016 from Rs. 9880.24 Lacs from Rs. 8512.65 Lacs over the same period in the previous year.

Total Expenditure

Total Expenses during FY 2016 increased by 18.87% in FY 2016 to Rs. 10017.13 Lacs from Rs. 8426.96 Lacs over the same period in the previous year.

Total Sales

Total Sales during FY 2016 increased by 16.02% in FY 2016 from Rs. 9852.83 Lacs from Rs.8492.12 Lacs over the same period in the previous year.

Revenue from Operations

Revenue from operating income increased by 16.08% in FY 2016 to Rs.9847.28 Lacs from Rs.8483.12 Lacs over the same period in the previous year.

Other Operating Income

Other operating income decreased by 38.33% in FY 2016 to Rs.5.55 Lacs from Rs.9.00 Lacs over the same period in the previous year.

Other income

Other income as a percentage of total income has increased from 33.51% in FY 2016 to Rs. 27.41 Lacs from Rs.20.53 Lacs over the same period in the previous year.

Purchase of Stock-in-trade

Purchase of Stock-in-trade decreased by 90.82% in FY 2016 to Rs.191.52 Lacs from Rs.2086.37 Lacs over the same period in the previous year.

Change in inventories of finished goods, work-in-progress and Stock in trade

Change in inventories of finished goods, work-in-progress and Stock in trade decreased by 208.15% in FY 2016 to Rs.1231.87 Lacs from Rs.(1139.02) Lacs over the same period in the previous year.

Employees Benefit Expenses

Employees Benefit expenses decreased by 13.12 % in FY 2016 to Rs.373.45 Lacs from Rs.429.89 Lacs over the same period in the previous year.

Finance Cost

Finance Cost decreased by 24.08 % in FY 2016 to Rs.1219.03 Lacs from Rs.1605.78 Lacs over the same period in the previous year.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses decreased by 24.60 % in FY 2016 to Rs.398.85 Lacs from Rs.529.04 Lacs over the same period in the previous year.

Other Expenses

Other Expenses decreased by 26.68 % in FY 2016 to Rs.743.95 Lacs from Rs. 1014.74 Lacs over the same period in the previous year.

Profits Before Tax

Profits before tax increased by 56.55 % in FY 2016 to Rs. (1017.12) Lacs from Rs.(2341) Lacs over the same period in the previous year.

Profits After Tax

Profits after tax increased by 61.54% in FY 2016 to Rs.(871.76) Lacs from Rs.(2266.84) Lacs over the same period in the previous year.

Comparison of Fiscal 2015 to Fiscal 2014**Total Income**

Total Income decreased by 45.78% in FY 2015 from Rs. 8512.65 Lacs from Rs.15701.44 Lacs over the same period in the previous year.

Total Expenditure

Total Expenses decreased by 35.51% in FY 2015 from Rs. 10513.34 Lacs from Rs.16302.32 Lacs over the same period in the previous year.

Total Sales

Total Sales decreased by 45.69% in FY 2015 from Rs. 8492.12 Lacs from Rs.15637.25 Lacs over the same period in the previous year.

Revenue from Operations

Revenue from operating income decreased by 45.68% in FY 2015 to Rs.8483.12 Lacs from Rs.15617.25 Lacs over the same period in the previous year.

Other Operating Income

Other operating income decreased by 55% in FY 2015 to Rs.9.00 Lacs from Rs.20.00 Lacs over the same period in the previous year.

Other income

Other income as a percentage of total income has decreased from 68.02% in FY 2015 to Rs.20.53 Lacs from Rs.64.19 Lacs over the same period in the previous year.

Purchase of Stock-in-trade

Purchase of Stock-in-trade decreased by 62.45% in FY 2015 to Rs.2086.37 Lacs from Rs.5557.54 Lacs over the same period in the previous year.

Change in inventories of finished goods, work-in-progress and Stock in trade

Change in inventories of finished goods, work-in-progress and Stock in trade decreased by 52.14% in FY 2015 to Rs.(1139.02) Lacs from Rs.748.62 Lacs over the same period in the previous year.

Employees Benefit Expenses

Employees Benefit expenses decreased by 8.94 % in FY 2015 to Rs.429.89 Lacs from Rs.472.11 Lacs over the same period in the previous year.

Finance Cost

Finance Cost increased by 6.10 % in FY 2015 to Rs.1605.78 Lacs from Rs.1710.17 Lacs over the same period in the previous year.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses decreased by 23.49% in FY 2015 to Rs.529.04 Lacs from Rs.691.48 Lacs over the same period in the previous year.

Other Expenses

Other Expenses decreased by 41.65% in FY 2015 to Rs.1014.74 Lacs from Rs.1739.08 Lacs over the same period in the previous year.

Profits Before Tax

Profits before tax decreased by 289.60% in FY 2015 to Rs.(2341) Lacs from Rs. (600.87) Lacs over the same period in the previous year.

Profits After Tax

Profits after tax decreased by 531.83% in FY 2015 to Rs.(2266.84) Lacs from Rs.(358.77) Lacs over the same period in the previous year.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Labour Laws

We are required to comply with certain labour and industrial laws, which includes the Factories Act, 1948, Industries (Development and Regulation) Act, 1951, Industrial Disputes Act, 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Wages Act, 1948, the Payment of Bonus Act, 1965, Employees Compensation Act, 1923, Contract Labour (Regulation and Abolition) Act, 1970 and the Maternity benefit Act.

The Factories Act, 1948

The Factories Act, 1948, as amended (the “**Factories Act**”) seeks to regulate the employment of workers in factories and makes provisions for the health, safety and welfare of the workers while at work in the factory including requiring adequate maintenance of plant, systems and other places of work, and provision of adequate training and supervision. The Factories Act defines a ‘factory’ to be any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or a premises where there are at least 20 workers who are engaged in a manufacturing process without the aid of power. Each State Government has set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended (the “**EPF Act**”) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the GoI from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947, as amended provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the conciliation officer may settle such dispute or the appropriate government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended provides a framework for State Governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance, or a basic rate of wages and the cash value of concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936, as amended (the “**Payment of Wages Act**”) is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs 6,500. The Payment of Wages Act inter alia seeks to regulate the payment of wages in terms of the duration of employment (work hours, overtime wages, and holidays), quantum of wages including overtime wages, deductions from wages, of certain classes of employed persons. The Payment of Wages Act also regulates minimum wages to be fixed by the appropriate governments for the employees, bonus entitlements, disbursements of wages by the employers within the stipulated time frame without unauthorized deductions, etc.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965, as amended provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due. The minimum bonus to be paid to each employee is the higher of 8.33% of the annual salary or wage or Rs. 100, whichever is higher.

The Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923, as amended provides that if personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for more than three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman willfully disobeyed safety rules. Where death results from the injury, the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman) or Rs. 50,000. Where permanent total disablement results from injury, the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or Rs. 60,000. The maximum wage which is considered for the purposes of reckoning the compensation is Rs. 4,000.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “**CLRA Act**”) requires companies employing 20 or more contract labourers to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labourers. Under the CLRA Act, both the principal employer and the contractor are to be registered with the registering officer. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended (the “**Maternity Benefit Act**”) provides that a woman who has worked for at least 80 days in the 12 months preceding her expected date of delivery, is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is 12 weeks. Women entitled to maternity benefit are also entitled to a medical bonus of Rupees 2,500, if no prenatal and post-natal care has been provided free of charge by the employer.

The Industries (Development and Regulation) Act, 1951

The Industries (Development and Regulation) Act, 1951 (the “**IDR Act**”) Act provides for the development and regulation of specified industrial undertakings. The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

Environmental Laws

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 (the “**EPA**”) is an umbrella legislation designed to provide a framework for the Government to co-ordinate the activities of various central and state authorities established under other laws, such as the Water (Prevention and Control of Pollution) Act, 1974 (the “**Water Act**”) and the Air (Prevention and Control of Pollution) Act, 1981 (the “**Air Act**”). The EPA vests the Government with various powers including the power to formulate rules prescribing standards for emission or discharge of environment pollutants from various sources, as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of processes and materials likely to cause pollution.

The Water Act

The Water Act requires a person to obtain the consent of the relevant central or state pollution control board, which is empowered to establish standards and conditions for establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage.

The Air Act

The Air Act requires any person establishing or operating any industrial plant within an air pollution control area to obtain the prior consent of the relevant central or state pollution control board. Further, no person operating any industrial plant in any air pollution control area is permitted to discharge any air pollutant in excess of emission standards prescribed

by the relevant pollution control board.

The Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008

The Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008 require every occupier and operator of a facility generating hazardous waste to obtain prior approval from the relevant central or state pollution control board. The occupier, the transporter and the operator are liable for damage to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier are liable for any fine that may be levied by the relevant pollution control board.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**PLI Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been notified under the PLI Act. The owner or handler is also required to take out an insurance policy insuring against liability under the PLI Act.

Taxation Laws

The Central Sales Tax Act, 1956

The Central Sales Tax Act, 1956 (“**Central Sales Tax Act**”), as amended, formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India. The Central Sales Tax Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-state trade or commerce and specifies the restrictions and conditions to which state laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central sales tax is levied on interstate sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one state to another or (b) is effected by transfer of documents during their movement from one state to another. Central sales tax is payable in the state from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the state in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

Value Added Tax (“**VAT**”) is a tax on the final consumption of goods or services and is ultimately borne by the consumer. The term ‘value addition’ implies the increase in value of goods and services at each stage of production or transfer of goods and services. It is a multi-stage tax with the provision to allow input tax credit on tax at an earlier stage, which can be appropriated against the VAT liability on subsequent sale. This input tax credit in relation to any period means setting off the amount of input tax by a registered dealer against the amount of his output tax. The VAT liability of the dealer/manufacturer is calculated by deducting input tax credit from tax collected on sales during the payment period. If the tax credit exceeds the tax payable on sales in a month, the excess credit will be carried over to the end of next fiscal year. If there is any excess unadjusted input tax credit at the end of second year, then the same will be eligible for refund. VAT is basically a state subject, derived from Entry 54 of the State List, for which the states are sovereign in taking decisions.

Fiscal Regulations

Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 (“**FTA**”) seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such

person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Intellectual Property Laws

The Trade Marks Act, 1999

The Trade Marks Act, 1999 which came into force on December 30, 1999 governs the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or combination thereof. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks can also be registered under the Trademark Act.

The Patents Act, 1970

The Patents Act, 1970 governs the patent regime in India. India is a signatory to the trade related agreement on Intellectual Property Rights; India recognizes both product as well as process patents. The new regime provides for:

- Patent protection period of 20 years;
- Patent protections allowed on imported products; and

Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. An application for a patent can be filed in any of the 4 patent offices in India.

Others

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable in the states in which establishments are set up, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Foreign Investment Regulations

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the current consolidated FDI Policy, effective from May 12, 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government (the “**Consolidated FDI Policy**”), which consolidates the policy framework on FDI, up to 100% FDI through the automatic route is permitted in sectors and activities not specifically restricted under the Consolidated FDI Policy. Therefore, our business is not subject to sectoral investment limits enumerated under the Consolidated FDI Policy.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (“**Sale of Goods Act**”) governs the contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. The Sale of Goods Act is complimentary to the Indian Contract Act, 1872, and the un-repealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of the Sale of Goods Act, continue to apply to contracts for the sale of goods. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

SECURITIES MARKET IN INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI, the Stock Exchanges, and has not been prepared or independently verified by us, the Lead Manager, or any of our respective affiliates or advisers.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. The Stock Exchanges together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by the SEBI, as well as by the Central Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA, SCRR, SEBI Act, the Depositories Act, the Companies Act, and various other rules and regulations framed thereunder. On June 20, 2012, the SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the “**SCR (SECC) Rules**”), which regulate, *inter alia*, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into and enforced between members.

The SEBI Act, under which the SEBI was established by the Central Government, granted powers to the SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and other financial intermediaries in the capital markets, to protect the interests of investors, to promote and monitor self-regulatory organizations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. The SEBI has also issued regulations concerning disclosure requirements by listed and to-be listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisition of shares and takeovers of companies, buyback of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, Mutual Funds, FIIs, FPIs, credit rating agencies and other capital market participants.

Listing

The listing of securities on stock exchanges in India is regulated by the applicable Indian laws including the ICDR Regulations, Companies Act, the SCRA, the SCRR, the Listing Regulations, the SEBI Act and various guidelines and regulations issued by the SEBI. Under the SCRA and the SCRR, the governing body of each stock exchange is empowered to suspend or withdraw admission to trading of or dealing in a listed security for breach by a listed company of any of the conditions of admission to dealings or for any other reason, subject to such company receiving prior notice of such intent of the stock exchange and upon granting of a hearing in the matter. The SEBI has the power to vary or veto the decision of the stock exchange in this regard. The SEBI also has the power to amend the byelaws of the stock exchanges.

Disclosures under the Companies Act, 2013 and Listing Regulations

Public listed companies are required under the Companies Act, 2013 and the Listing Regulations to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, 2013, related party transactions and management’s discussion and analysis as required under Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the Listing Regulations.

Delisting of Securities

The SEBI has, pursuant to a notification dated June 10, 2009, notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in relation to the voluntary and compulsory delisting of securities from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment of the SCRR, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. We are in compliance with the minimum public shareholding requirement. Where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of twelve months from the date of such fall in the manner specified by the SEBI.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers, which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices.

NSE

The National Stock Exchange (NSE) is India's leading stock exchange covering various cities and towns across the country. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practices and procedures.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

Internet-Based Securities Trading and Services

The SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and to comply with certain minimum conditions stipulated by the SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the 'equities' as well as the 'derivatives' segments of the NSE.

Trading Hours

Trading on both the Stock Exchanges normally occurs Monday through Friday, between 9:15 a.m. and 3:30 p.m. Indian Standard Time. The Stock Exchanges are closed on public holidays. Recently, the stock exchanges have been permitted to set their own trading hours (in cash and derivative segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothing settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called 'National Exchange for Automated Trading' ("NEAT"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory open offer obligations for listed Indian companies under Indian law are governed by the Takeover Regulations i.e SEBI (SAST) Regulations, 2011, which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to acquisitions of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company.

The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since, our Company is an Indian listed company, the provisions of the Takeover Regulations apply to our Company.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the “**Insider Trading Regulations**”) have been notified by SEBI to prohibit and penalize insider trading in India. An “insider” is defined to include any person who has received or has access to unpublished price sensitive information (“**UPSI**”) or a “Connected Person”. A “Connected Person” includes, *inter alia*, any person who is or has directly or indirectly, been associated with the company in any capacity whether contractual, fiduciary or employment or has any professional or business relationship with the company whether permanent or temporary, during the six months prior to the concerned act which would allow or reasonably expect to allow access, directly or indirectly, to UPSI.

An insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of UPSI and to provide access to any person including other insiders to the above referred UPSI except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. UPSI shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities. The board of directors of all listed companies is required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, the SEBI framed regulations in relation to, *inter alia*, the formation and registration of such Depositories, the registration of Depository Participants as well as the rights and obligations of the Depository Participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term ‘securities’, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange.

LEGAL PROCEEDINGS

We are, from time to time, involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, amongst others, tax, regulatory and other disputes. As on date of this Placement Document, except as disclosed hereunder, we are not involved in any material governmental, legal or arbitration proceedings or litigation and we are not aware of any pending or threatened material governmental, legal or arbitration proceedings or litigation relating to them which may have a material effect on our financial condition, the results of operations or cash flows.

Material Proceedings involving our Company

S.no	Type of case	Court/Tribunal where the case is pending	Brief Facts
1	Criminal Case No. 2801697/SS/15 and old No. 1198/SS/2015 between Amforge Industries Limited and Sundaram Multi Pap Ltd & Others under Section 138 read with section 141 of the Negotiable Instruments Act, 1881	Metropolitan Magistrate at Andheri, Mumbai	Sundaram Multi Pap Limited had taken an amount of Rs 2 Crore from Amforge Industries Limited by way of Inter Corporate Deposit (ICD). Sundaram Multi Pap Limited had issued 5 postdated cheques in order to secured amount of ICD. When such cheques were presented for payment, they got dishonored.
2	Company petition no. 932 of 2015 between Amforge Industries Limited and Sundaram Multi Pap Limited	Honorable High Court, Mumbai	Amforge Industries Limited filed an winding up petition before Honorable High Court, Mumbai vide petition no. 932 of 2015 under section 433,434 & 439 of the Companies Act, 1956.
2	Civil Case Company Petition No. 1181 of 2015 between M/s BT Solders (P) Limited and Sundaram Multi Pap Limited	High Court of Bombay	Sundaram Multi Pap Limited had taken an amount of Rs 50 lacs from M/s BT Solders (P) Limited by way of Inter Corporate Deposit (ICD). It was alleged that Sundaram Multi Pap Limited failed to pay a part amount of ICD along with interest.
3	Civil Judge Senior Division, Nagpur. Regular Civil Suit RCS No. 7012015 Of 2015 between M/s Floton Commodities and M/s Sundaram Multi Pap Limited	Civil Judge Senior Division, Nagpur	<p>M/s Floton Commodities has filed a regular civil suit bearing RCS No. 7012015 before this Hon,ble Court against M/s Sundaram Multi Pap Limited for recovery of amount of Rs.21,98,357/-. That, the Floton Commodities firm carries on the business of sale and purchase of coal in the name of M/s. Floton Commodities. That, the Sundaram Multi Pap Limited has a paper unit under the name of Sundaram Mutli Pap Ltd at Village Sihora, P.O. Kanhan, Tahsit Parseoni, Distt. Nagpur. That, for the requirement of the paper unit, M/s Sundaram Multi Pap Limited approached M/s Floton Commodities for purchase of sleam coal. That, during an extended period, the M/s Sundaram Multi Pap Limited have purchased substantial amount of coal from M/s Floton Commodities amounting to Rs.22,22,227/-.</p> <p>That, out of this the M/s Sundaram Multi Pap Limited paid an amount of Rs.5,11,448/- and a balance amount of Rs.17,10,779/- is outstanding.</p>

Material Proceedings involving our Subsidiary

There is no material proceedings are pending by and against our subsidiary company as on date.

Material Proceedings involving our Promoters/Directors

S.no	Type of case	Court/Tribunal where the case is pending	Brief Facts
1	Compliant under section 138/141/142 of Negotiable Instruments Act, 1881 M/s Kumar Share Brokers Limited (Complainant) Vs. Amrut P Shah	Chief Metropolitan Magistrate, Karkardooma Court, Delhi	A Cheque of an amount Rs 45,00,000/- issued by Mr. Amrut P Shah towards his part liability against the trade in shares and stock through the complainant got dishonored.
2	N.D.P.S Misc. Application No. 991 of 2014	Additional Session Judge, Greater Mumbai	A case relation to dishonored of cheque under section 138 of Negotiable Instruments Act, 1881.

Material Frauds

No material frauds have been committed against our Company during the last three years.

Defaults in respect of dues payable

Our Company has been fairly regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, to the extent applicable to the Company and there are no material statutory dues outstanding and due for remittance to the statutory authorities as on March 31, 2016. Our Company has not defaulted in any deposits accepted and payment of interest or principal on any loan from any bank or financial institution and has not issued any debentures

Litigation or Legal Action against the Promoters by any Ministry, Government Department or Statutory Authority

There is no, and has been no, litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against any Promoter during the last three years immediately preceding the year of this Placement Document. Accordingly, no directions have been issued by any ministry or department or statutory authority upon conclusion of any litigation or legal action against the Promoters.

Reservations, Qualifications or Adverse Remarks by the Auditors

The audit reports of the last three financial years immediately preceding the year of circulation of this Placement Document do not contain any reservations, qualifications or adverse remarks.

Inquiries, Inspections or Investigations under the Companies Act

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous company law in the three years immediately preceding the year of circulation of this Placement Document in the case of the Company and its Subsidiaries. Further, there were no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Lead Manager. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections titled “Selling Restrictions” and “Transfer Restrictions”.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and Chapter VIII of the ICDR Regulations, through the mechanism of a QIP. Under Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013, a company may Issue equity shares to QIBs subject to certain conditions including:

- ☐ the Issuer has completed all allotments with respect to any offer or invitation previously made by it or has withdrawn or abandoned any invitation or offer previously made by it;
- ☐ the Issuer is in compliance with the minimum public shareholding requirements set out in the SCRR;
- ☐ equity shares of the same class of such Issuer, which are proposed to be allotted through the QIP, are listed on a stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the below-mentioned special resolution;
- ☐ the shareholders of the Issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date;
- ☐ the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- ☐ the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;
- ☐ the offer must not be to more than 200 persons in a financial year. However, an offer to QIBs will not be subject to this limit of 200 persons. Prior to circulating the private placement offer letter, the Issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the Issuer prior to the invitation to subscribe;
- ☐ Issuer must offer to each Allottee at least such number of the securities in the Issue which would aggregate to Rs. 20,000, calculated at the face value of the securities;
- ☐ the aggregate of the proposed Issue and all previous QIPs made by the Issuer in the same financial year does not exceed five times the net worth (as defined in the ICDR Regulations) of the Issuer as per the audited balance sheet of the previous financial year; and
- ☐ the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the Equity Shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the related Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the ICDR Regulations.

The “Relevant Date” referred to above, for the Allotment, will be the date of the meeting in which the Board or the committee of Directors duly authorized by the Board decides to open the Issue and “Stock Exchange” means the stock exchange in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Our Company will apply for the in-principle approval of the Stock Exchange under Regulation 28(1) of the Listing Regulations for the listing of the Equity Shares on the Stock Exchange. Our Company will also deliver a copy of the Preliminary Placement Document to the Stock Exchange.

Our Company shall make the requisite filings with the ROC and the SEBI within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue was authorized and approved by the Board on July 25, 2016, and approved by the Shareholders by way of their special resolution dated August 29, 2016.

The Equity Shares will be allotted within 12 months from the date of the Shareholders' resolution approving the Issue and within 60 days from the date of receipt of subscription money from the relevant QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document are private documents provided to only select QIBs through serially numbered copies and are required to be placed on the website of the Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of Allottees for the Issue shall not be less than:

- ☐ Two, where the issue size is less than or equal to Rs. 250 crores; and
- ☐ Five, where the issue size greater than Rs. 250 crores.

No single Allottee shall be allotted more than 50% of the Issue Size. QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. See the section titled "*Issue Procedure - Application Process - Application Form*".

Securities allotted to a QIB pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognized stock exchange in India. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED, LISTED OR OTHERWISE QUALIFIED IN ANY OTHER JURISDICTION OUTSIDE INDIA AND MAY NOT BE OFFERED OR SOLD, AND BIDS MAY NOT BE MADE BY PERSONS IN ANY SUCH JURISDICTION, EXCEPT IN COMPLIANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTION.

Issue Procedure

1. Our Company and the Lead Manager shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42 (7) of the Companies Act, 2013 our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document, and Placement Document and the serially numbered application Form have been dispatched. Our Company shall make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.
2. **UNLESS A SERIALY NUMBERED PRELIMINARY PLACEMENT DOCUMENT ALONG WITH THE SERIALY NUMBERED APPLICATION FORM IS ADDRESSED TO A PARTICULAR QIB, NO INVITATION TO SUBSCRIBE SHALL BE DEEMED TO HAVE BEEN MADE TO SUCH QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. Bidders shall submit Bids for, and our Company shall Issue and Allot to each Allottee at least such number of Equity Shares which would aggregate to Rs. 20,000 calculated at the face value of the Equity Shares.
4. QIBs may submit an Application Form, during the Bid/Issue Period to the Lead Manager.
5. QIBs will be required to indicate the following in the Application Form:
 - ☐ name of the QIB to whom Equity Shares are to be Allotted;

- ☐ number of Equity Shares Bid for;
- ☐ price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at the Cut-Off Price which shall be any price as may be determined by our Company in consultation with the Lead Manager at or above the Floor Price or the Floor Price net of such discount as approved in accordance with ICDR Regulations.
- ☐ details of the Depository Participant account to which the Equity Shares should be credited; and

NOTE: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.

6. Once a duly completed Application Form is submitted by a Bidder, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Bidders shall be deemed to have been given notice of such date after receipt of the Application Form.

The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI.

7. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price in consultation with the Lead Manager. Upon determination of the final terms of the Equity Shares, the Lead Manager will send the serially numbered CAN along with the Placement Document to the Bidders who have been allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allocated to such Bidder. The CAN shall contain details such as the number of Equity Shares Allocated to the Bidder and payment instructions including the details of the amounts payable by the Bidder for Allotment of the Equity Shares in its name and the Pay-in Date as applicable to the respective Bidder. **PLEASE NOTE THAT THE ALLOCATION WILL BE AT THE ABSOLUTE DISCRETION OF OUR COMPANY AND WILL BE BASED ON THE RECOMMENDATION OF THE LEAD MANAGER.**
8. Pursuant to receiving a CAN, each Bidder shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective Bidders. No payment shall be made by Bidders in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant Bidders applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act, 2013, i.e., the Escrow Account. See the section titled "Issue Procedure - Bank Account for Payment of Application Money".
9. Upon receipt of the application monies from the Bidders, our Company shall Allot Equity Shares as per the details in the CAN sent to the Bidders.
10. After passing the Board resolution for Allotment and prior to crediting the Equity Shares into the beneficiary accounts maintained with the Depository Participants by the Allottees, our Company shall apply to the Stock Exchanges for listing approval. Our Company will intimate the Stock Exchanges the details of the Allotment and apply for the approval for listing of the Equity Shares on the Stock Exchanges prior to the crediting of the Equity Shares into the beneficiary account maintained with the Depository Participant by the Bidder.
11. After receipt of the listing approval of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to the Issue into the Depository Participant's accounts of the respective Allottees.
12. Our Company will then apply for the final trading approval from the Stock Exchanges.
13. The Equity Shares that would have been credited to the beneficiary accounts with the Depository Participants of the Allottees shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approval from the Stock Exchanges.
14. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approvals. Our Company and the Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any

loss arising from such delay or non- receipt. Final listing and trading approval granted by the Stock Exchanges is also placed on its website. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the ICDR Regulations are eligible to invest. Only the following categories of QIBs are eligible to invest in the

Issue:

- ☐ Eligible FPIs including FIIs and eligible sub-accounts;
- ☐ insurance companies registered with the Insurance Regulatory and Development Authority of India;
- ☐ insurance funds set up and managed by army, navy or air force of the Government; and
- ☐ insurance funds set up and managed by the Department of Posts, India.
- ☐ Mutual Funds, VCFs and AIFs;
- ☐ pension fund with minimum corpus of Rs. 25 crores;
- ☐ provident fund with minimum corpus of Rs. 25 crores;
- ☐ public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- ☐ scheduled commercial banks;
- ☐ state industrial development corporations; and
- ☐ the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE NON-RESIDENT QIBS CAN PARTICIPATE IN THE ISSUE UNDER SCHEDULE 1 OF FEMA REGULATIONS. FIIS, SUB-ACCOUNTS (OTHER THAN A SUB-ACCOUNT WHICH IS A FOREIGN CORPORATE OR A FOREIGN INDIVIDUAL) AND OTHER ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER THE RESPECTIVE SCHEDULES OF FEMA REGULATIONS, IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) should not exceed 10% of post-Issue Equity Share capital of the company. Further, in terms of the FEMA Regulations, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all Eligible FPIs put together shall not exceed 24% of the paid-up Equity Share capital of the company. The aggregate limit of 24% may be increased by way of a resolution passed by the board of directors of the company, followed by a special resolution passed by its shareholders.

An FII or sub-account (other than a sub-account which is a foreign corporate or foreign individual) who holds a valid certificate of registration from the SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees has been paid as per the FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII or sub-account after

registering as an FPI under the FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Under Regulation 86(1)(b) of the ICDR Regulations, no Allotment shall be made, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the 'promoters' as defined in the ICDR Regulations:

- ☐ rights under a shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters;
- ☐ veto rights; or
- ☐ a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the "promoters".

OUR COMPANY AND THE LEAD MANAGER ARE NOT LIABLE FOR ANY AMENDMENT OR MODIFICATION OR CHANGE TO APPLICABLE LAWS OR REGULATIONS, WHICH MAY OCCUR AFTER THE DATE OF THIS PLACEMENT DOCUMENT. QIBS ARE ADVISED TO MAKE THEIR INDEPENDENT INVESTIGATIONS AND SATISFY THEMSELVES THAT THEY ARE ELIGIBLE TO APPLY. QIBS ARE ADVISED TO ENSURE THAT ANY SINGLE APPLICATION FROM THEM DOES NOT EXCEED THE INVESTMENT LIMITS OR MAXIMUM NUMBER OF EQUITY SHARES THAT CAN BE HELD BY THEM UNDER APPLICABLE LAW OR REGULATION OR AS SPECIFIED IN THIS PLACEMENT DOCUMENT. FURTHER, QIBS ARE REQUIRED TO SATISFY THEMSELVES THAT THEIR BIDS WOULD NOT EVENTUALLY RESULT IN TRIGGERING A TENDER OFFER UNDER THE TAKEOVER REGULATIONS.

***Note:** Affiliates or associates of Lead Manager who are QIBs may participate in the Issue in compliance with applicable laws.*

Application Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Form(s) and pursuant to the terms of the Preliminary Placement Document, the Bidder will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under sections titled "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions":

- ☐ The Bidder confirms that it is a QIB in terms of Regulation 2(1)(zd) of the ICDR Regulations and is not excluded under Regulation 86 of the ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in the Issue;
- ☐ The Bidder confirms that it is not a "promoter" and is not a person related to the "promoters", either directly or indirectly, and its Application Form does not directly or indirectly represent the "promoters" or "promoter group" or persons related to the "promoters" as defined in the ICDR Regulations;
- ☐ The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the "promoters" or persons related to the "promoters", no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the "promoters" as defined in the ICDR Regulations;
- ☐ The Bidder acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;
- ☐ The Bidder confirms that if Equity Shares are allotted, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- ☐ The Bidder confirms that it is eligible to Bid and hold Equity Shares so Allotted. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;
- ☐ The Bidder confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;
- ☐ The Bidder confirms that together with other Bidders that belong to the same group or are under the same control, the Allotment to the Bidder shall not exceed 50% of the Issue Size. For the purposes of this statement:
 - a. the expression “belongs to the same group” shall derive meaning from the concept of “companies under the same group” as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and
 - b. “Control” shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
- ☐ The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing; and

EACH BIDDER MUST PROVIDE ITS DEPOSITORY PARTICIPANT ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, E-MAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

EACH BIDDER MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY PARTICIPANT ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT BIDDER.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, A QIB MAY ALSO BE REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) ALONG WITH THE APPLICATION FORM TO THE LEAD MANAGER TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREIN.

IF SO REQUIRED BY THE LEAD MANAGER, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for the Bidder to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Bidder upon the issuance of the CAN by our Company in favor of the Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for. All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Lead Manager as per the details provided in the respective CAN. The Application Form shall be submitted to the Lead Manager either through electronic form or through physical delivery at the following address:

Name	Address	Contact person	Email	Phone
D & A Financial Services (P) Limited	A-304, 3 rd Floor, Dalamal Tower, Free Press Journal Marg, Nariman Point, Mumbai-400021	Mr. Balakrishnan Iyer	dafspl@gmail.com	022-32677738/67478992
D & A Financial Services (P) Limited	13, Community Centre, East of Kailash New Delhi-110065	Mr. Priyaranjan	dafspl@gmail.com	011-26419079/26218274

The Lead Manager shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the general index register number instead of the PAN as the Application Forms are liable to be rejected on this ground.

Pricing and Allocation

Build-up of the Book

Bidders shall submit their Bids within the Bid/Issue Period to the Lead Manager. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Lead Manager, shall determine the Issue Price, which cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price, in accordance with Chapter VIII of the ICDR Regulations.

After finalization of the Issue Price, our Company will update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Lead Manager on a discretionary basis and in compliance with Chapter VIII of the ICDR Regulations. Bids received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND BIDDERS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE LEAD MANAGER IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Lead Manager, in its sole and absolute discretion, shall decide the Bidders to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment in their respective names shall be notified to such Bidders. Additionally, a CAN will include details of the Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-in Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective Bidder's account. The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the successful Bidders shall be deemed a valid, binding and irrevocable contract for the successful Bidders to furnish all details that may be required by the Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such successful Bidders.

QIBS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM.

Bank Account for Payment of Application Money

Our Company have opened the “**QIP Escrow Account**” with Yes Bank Limited in the name of SMPL-QIP Escrow Account having account no. 016361000001017. The successful Bidders will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-in Date as mentioned in, and in accordance with, the respective

CAN. Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favoring the “**QIP Escrow Account**” within the time stipulated in the CAN, the Application Form and the CAN of the successful Bidder are liable to be cancelled.

Our Company undertakes to utilize the amount deposited in “**QIP Escrow Account**” only for the purposes of (i) adjustment against Allotment; or (ii) repayment of application money if our Company is not able to Allot.

In case of cancellations or default by the Bidders, our Company and the Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the successful Bidders pay the Issue Price to the “**QIP Escrow Account**” as stated above.

The Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the QIBs’ Depository Participant accounts, our Company will apply for final trading and listing approval from the Stock Exchanges.

In the case of a Bidder who has been Allotted more than five per cent of the Equity Shares in the Issue, our Company shall disclose the QIBs’ name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on its website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act and the PAS Rules. If you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI. The Escrow Collection Bank shall release the monies lying to the credit of the Escrow Account to our Company after receipt of final listing and trading approval for the Equity Shares from the Stock Exchanges.

In the event that our Company is unable to Issue and Allot the Equity Shares or there is a cancellation of the Issue within 60 days from the date of receipt of application money from a Bidder, our Company shall repay the application money within 15 days from expiry of the 60 day period, failing which our Company shall repay that money to such Bidders with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the Bidders.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Running Lead Manager in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form

The Allotment shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). A Bidder that proposes to make a Bid pursuant to the Issue must have at least one beneficiary account with a Depository Participant prior to making the Bid. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the successful Bidder.

Equity Shares in electronic form can be traded only on stock exchanges having electronic connectivity with the Depository Participants. The Stock Exchanges where the Equity Shares to be issued pursuant to the Issue are proposed to be listed have electronic connectivity with the National Securities Depository Limited and the Central Depository Services (India) Limited.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all Bidders in the dematerialized segment of the Stock Exchanges. Our Company and Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidders.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

Except in India, no action has been taken or will be taken by the Company or the Lead Manager that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the sections titled “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*”.

India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to QIBs and is not an offer to the public. This Issue is a “private placement” within the meaning of Section 42 of the Companies Act, 2013 since the invitation or offer is to be made only to QIBs. This Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the “**Relevant Implementation Date**”), the Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

- (a) to persons or entities that are “qualified investors” as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;
- (b) to (i) fewer than 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than “qualified investors” as defined in the 2010 Amending Directive), in each case subject to obtaining the prior consent of the Lead Manager; and
- (c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression “2010 Amending Directive” means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

Neither our Company nor the Lead Manager has authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary on their behalf, other than offers made by our Company or the Lead Manager.

Hong Kong

The Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Placement Document has not been, and will not be, registered as a “prospectus” in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) (“CO”) nor has it been authorized by the Securities and Futures Commission (“SFC”) in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) (“SFO”). Recipients are advised to exercise caution in relation to the Offer. If recipients are in any doubt about any of the contents of this Placement Document, they should obtain independent professional advice.

The Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Placement Document must not be issued, circulated or distributed in Hong Kong other than:

- ☐ to “professional investors” within the meaning of the SFO and any rules made under that ordinance (“**Professional Investors**”); or
- ☐ in other circumstances which do not result in this Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Interests within Kuwait. Therefore, no services relating to the Issue, including the receipt of applications and/or the allotment of Equity Shares may be rendered within Kuwait by our Company or persons representing our Company.

Oman

This Placement Document and the Equity Shares offered under it are issued and governed by the laws of India. No offer or marketing of the Equity Shares has been or will be made by our Company from within the Sultanate of Oman and no subscription for Equity Shares may or will be effected or undertaken within the Sultanate of Oman. Our Company does not have a presence or representation in the Sultanate of Oman and any purchase of the Equity Shares will be deemed to be made in and under the laws of India.

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been registered or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, and neither our Company nor the Lead Manager are authorized or licensed by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, to market or sell the Equity Shares within the Sultanate of Oman.

The Equity Shares offered under this Placement Document have not and will not be listed on any stock exchange in the Sultanate of Oman.

Qatar

This Placement Document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not

been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither our Company nor the Lead Manager are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre

Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither our Company nor the Lead Manager are, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Singapore

The Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“MAS”) under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). Accordingly, the Equity Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (“U.A.E.”) other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this Placement Document does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. Our Company and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. This Placement Document is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser. This Placement Document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an “**Exempt Offer**”) in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the “**DFSA**”). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a “fund” or a “collective investment scheme” within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

United Kingdom (in addition to the European Economic Area selling restrictions above)

The Equity Shares offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this Placement Document have not been approved by an authorized person within the meaning of Financial Services and Markets Act 2000, as amended (the “**FSMA**”). The Lead Manager (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws. The Equity Shares are not being offered or sold in the United States in the Issue. The Equity Shares are being offered and sold in the Issue only outside the United States in “offshore transactions” (as defined in Regulation S) in accordance with Regulation S. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in the section titled “*Transfer Restrictions*”.

TRANSFER RESTRICTIONS

Pursuant to Chapter VIII of the ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments of Equity Shares made to QIBs, including FVCIs, VCFs and AIFs, in this Issue may be subject to lock-in requirements under the rules and regulations that are applicable to them.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws.

Each purchaser of the Equity Shares, by accepting delivery of this Placement Document, will be deemed to:

- ☐ Represent and warrant to our Company, the Lead Manager and its respective affiliates that the offer and sale of the Equity Shares to it is in compliance with all applicable laws and regulations.
- ☐ Represent and warrant to our Company, the Lead Manager and its respective affiliates that it was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares was originated.
- ☐ Represent and warrant to our Company, the Lead Manager and its respective affiliates that it did not purchase the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S).
- ☐ Acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and warrant to our Company, the Lead Manager and its respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- ☐ Represent and warrant to our Company, the Lead Manager and its respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- ☐ Acknowledge that our Company, the Lead Manager and its respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and warrant to our Company and the Lead Manager that if any such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company and the Lead Manager.

Any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by our Company.

GENERAL INFORMATION

1. Our Company is incorporated in the Republic of India under the Companies Act, 1956, as a company with limited liability having CIN L21098MH1995PLC086337.
2. The registered and corporate office of our Company is located at 5/6 Papa Industrial Estate, Suren Road, Andheri (East) Mumbai- 400 093, Maharashtra, India.
3. Our Company's authorized share capital is Rs. 27,00,00,000 divided into 27,00,00,000 Equity Shares of Re. 1 each. As on date of this Placement Document, our Company's issued, subscribed and paid-up share capital is Rs. 215605773 divided into 215605773 Equity Shares of Re. 1 each.
4. The Issue was authorized and approved by the Board on 25th July 2016, and approved by the Shareholders pursuant to their special resolution dated 29th August 2016.
5. For the main objects of our Company, please refer to the Memorandum.
6. Our Company has applied for and obtained in-principle approval in terms of Regulations 28(1) of the Listing Regulations on [*] for the listing of the Equity Shares on the Stock Exchanges.
7. The Compliance Officer for the purpose of the Issue is Mr. Manik R Makwana, Company Secretary.
8. Copies of the Memorandum and Articles will be available for inspection during usual business hours on any weekday between 11:00 a.m. to 3:00 p.m. (except Saturdays and public holidays), at the Registered Office.
9. Except as disclosed in this Placement Document, there are no significant changes in the financial or trading position of our Company since March 31, 2016, the date of the last audited consolidated financial statements, prepared in accordance with Indian GAAP and the Companies Act included herein.
10. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting our Company or our Company's assets or revenues, nor is our Company aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of the Issue.
11. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.
12. Our Company's statutory auditors are M/s Bhuta Shah & Co. LLP, Chartered Accountants, who have audited, the consolidated financial statements and standalone financial statements of our Company for the financial years 2016, 2015 and 2014, and are the independent auditors with respect to our Company in accordance with the guidelines issued by the ICAI.
13. Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified under the SCRR and as required under the Listing Regulations.
14. The floor price for the Issue, as calculated in accordance with Regulation 85 of the ICDR Regulations, is Rs. 4.30 per Equity Share with reference to November 15, 2016, as the Relevant Date. In accordance with the resolution of the Shareholders dated August 29, 2016, and Regulation 85(1) of the ICDR Regulations, the Board may at its discretion, offer a discount of up to [5]% to the Floor Price.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Sd/-
(Amrut P. Shah)
Chairman and Managing Director

Date: November 15, 2016
Place: Mumbai

Signed by:

Sd/-
(Manik R Makwana)
Company Secretary

Date: November 15, 2016
Place: Mumbai

Signed by:

Sd/-
(Rajesh B. Jain)
Chief Financial Officer

Date: November 15, 2016
Place: Mumbai

DECLARATION

I am duly authorized by the Board of Directors of the company be and hereby certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Sd/-

(Amrut P Shah)

Chairman & Managing Director

Date: November 15, 2016

Place: Mumbai

I am authorized by the Board of Directors of the Company, vide resolution dated November 15, 2016, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Sd/-

Amrut P Shah

Chairman & Managing Director

Date: November 15, 2016

Place: Mumbai